



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 6 5 0 8 3 2 5

Company name in full D&J (Steels) Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Ross David

Surname Connock

3 Administrator's address

Building name/number 2 Glass Wharf

Street

Post town Bristol

County/Region

Postcode B S 2 0 F R

Country United Kingdom

4 Administrator's name ①

Full forename(s) David Matthew

Surname Hammond

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Once Chamberlain Square

Street

Post town Birmingham

County/Region

Postcode B 3 3 A X

Country United Kingdom

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report


6 Period of progress report

From date	<div><div>d</div><div>1</div></div>	<div><div>d</div><div>1</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>9</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	
To date	<div><div>d</div><div>1</div></div>	<div><div>d</div><div>0</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>3</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>1</div></div>	

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's signature	<div>Signature</div> <div><div>X</div></div> <div><div>X</div></div>								
Signature date	<div><div>d</div><div>0</div></div>	<div><div>d</div><div>8</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>4</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>1</div></div>	

**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 **Helena Perevalova**

Company name **PricewaterhouseCoopers LLP**

Address **8th Floor, Central Square**

29 Wellington Street

Post town **Leeds**

County/Region **West Yorkshire**

Postcode

L	S	1		4	D	L
---	---	---	--	---	---	---

Country

DX

Telephone **0113 288 2046**

**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 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

Joint administrators' progress report from 11 September 2020 to 10 March 2021

D&J (Steels) Limited
(in administration)

Business and Property Courts in Birmingham
Insolvency and Companies List (ChD)
Case no. CR-2019-BHM-00713

8 April 2021

Table of contents

Abbreviations and definitions	3
Key messages	5
Overview of what we've done to date	6
Appendix A: Receipts and payments	10
Appendix B: Expenses	11
Appendix C: Remuneration update	12
Appendix D: Pre-administration costs	19
Appendix E: Other information	20
Appendix F: Voting forms for decision procedure	21

Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
Administrators	Ross Connock of PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol BS2 0FR and David Matthew Hammond of PricewaterhouseCoopers LLP, One Chamberlain Square, B3 3AX
BEIS	Department for Business, Energy & Industrial Strategy
BIS	Bromford Iron & Steel Company Limited
Brockhouse	Brockhouse Group Limited
Company	D&J (Steels) Limited - in Administration
Close Brothers	Close Brothers Limited, a secured creditor
CVA	Company voluntary arrangement under Part 1 IA86
CVL	Creditors' voluntary liquidation
Firm	PricewaterhouseCoopers LLP
Group	Original Steel Services Limited, Bromford Iron & Steel Company Limited, Brockhouse Group Limited and the Company collectively
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
HMRC	HM Revenue & Customs
Purchaser	Barrett Steel Limited
Prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
Proposals	The Administrators' Proposals for achieving the purpose of Administration, as approved by creditors on 8 October 2019
Preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
Remuneration report	As required by UK insolvency legislation, a report provided to all known creditors containing details of the work we expect to carry out during the insolvency, the expenses that are likely to be incurred and if our fees are proposed to include remuneration calculated on a time costs basis, an estimate of those fees.
ROT claims	Claims to retention of title over goods supplied to the Company but not paid for before the Administrators' appointment

RPS	Redundancy Payments Service, an executive agency sponsored by the Department for Business, Energy & Industrial Strategy, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
SPA	The agreement for the sale and purchase of the business and assets of the Company dated 11 September 2019
Secured creditor	Close Brothers - creditor with security in respect of their debt, in accordance with Section 248 IA86
TopCo	Original Steel Services Limited
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
Unsecured creditors	Creditors who are neither secured nor preferential

This report has been prepared by Ross Connock and David Matthew Hammond as Joint Administrators of the Company, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Company's creditors, which can be found at www.pwc.co.uk/dandjsteels. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Ross Connock and Matthew Hammond have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Why we've sent you this report

I'm writing to update you on the progress of the administration of D&J (Steels) Limited in the six months since our last report dated 2 October 2020.

You can still view our earlier reports on our website at www.pwc.co.uk/dandjsteels. Please get in touch with Helena Perevalova on 0113 288 2046 or at helena.perevalova@pwc.com if you need any of the passwords to access the reports.

How much creditors may receive

The following table summarises the possible outcome for creditors, based on what we currently know.

Secured creditor	100p	100p
Preferential creditors	N/A	N/A
Unsecured creditors	14p - 16p	15p - 19p

As previously reported, the secured creditor has been fully repaid its lending of £378,000 out of its security over the Company's assets.

Due to the successful sale of the business and transfer of employees to the Purchaser, no preferential claims have been received to date we do not expect to receive any preferential claims in future.

We think the Company's unsecured creditors (with estimated total claims of £1.7m) could receive a dividend of between 14% and 16% based on what we know currently and if the unsecured creditors approve an uplift of joint administrators' fees. The amount of any dividend and when it would be paid are dependent on the final position of the administration and any further costs incurred.

The initial estimate of the dividend available to the unsecured creditors as stated in our proposals was up to 10%. The additional work we have undertaken since the appointment has significantly increased the return to the creditors which resulted in £167,962.28 received from the secured creditor in relation to the debtor ledger collections.

What you need to do

If you haven't already done so, please send your claim to us so that we can agree it in principle. A claim form can be downloaded from our website at www.pwc.co.uk/dandjsteels or you can get one by telephoning Helena Perevalova on 0113 288 2046.

All creditors wishing to receive the anticipated dividend payment must submit a proof of debt.

Please note that should you wish to vote in relation to any decision procedure during the administration or object to a decision sought by deemed consent, you'll need to submit a proof of debt, even if one is not required for dividend purposes.

Later in this report we provide an explanation on the additional work we've done and you may also wish to refer to our previous reports for further details. As this necessitated us incurring costs in excess of our initial estimate, we are now seeking the approval of creditors to draw fees in excess of the amount previously approved.

You'll remember from our previous reports that the position was as follows:

- The Company was a steel stockholder operating from premises in West Bromwich, in the West Midlands. The Company is part of a group of companies owned by Original Steel Services Limited. The Company had traded as a steel stockholder since the 1970s, focusing on the engineering, forging, fabrication and oil and gas sectors. The Company's major customer was Brockhouse, representing about 35% of its total sales. The balance of its customers were made up of various different companies in the forging and engineering sectors, with no one customer representing more than 6% of annual turnover.
- The Company operated on low margins and despite the draft accounts for the financial year ended 31 March 2019 reporting turnover of over £4m, due to high costs of sales and other associated costs, the business had incurred trading losses of £140k for the year end 2019 with a further £7k of losses incurred by May 2019.
- In January 2019, JA Envirotanks Limited (a company owned by TopCo) went into CVL, which had a negative knock-on effect on the group companies. In May 2019, suppliers advised the Company that their credit insurance would be withdrawn with the effect from July 2019 which then required the Company to pay for supplies on a pro-forma basis, which resulted in even higher requirements for working capital which the Company did not have the resources to meet.
- PwC was contacted by TopCo to provide advice in relation to the financial position of the Company. After an initial review and consideration of various options it was decided to undertake an accelerated sale process. Despite some interest received, no parties were willing to complete the transaction solvently. Following a review of the cash position, it became apparent that an insolvency process was unavoidable.
- It was decided that the most appropriate strategy was to negotiate a sale of the business that could complete immediately after the appointment of administrators, in order to maximise value in the assets and the outcome for creditors.

We were appointed joint administrators of the Company on 11 September 2019. Immediately after our appointment, all of the business and assets of the Company were sold to Barrett Steel Limited. In summary:

- Total consideration for the sale of the business and assets was £240,000 and was received on completion.
- All ten employees of the Company were transferred to the Purchaser under TUPE.
- The sale enabled the statutory purpose of the administration to be achieved as it represented the best offer received, and so provided the best available outcome for the creditors as a whole in all circumstances.

Following the appointment and up to the period of the previous progress report the joint administrators completed the following:

- Liaised closely with the secured creditor in relation to the surplus of any debtor funds due to the Company which resulted in £167,962.28 being received for the benefit of the unsecured creditors (further details can be found below);
- Reviewed the actions of anybody who has been a director of the Company in the three years before our appointment and submit our findings to BEIS (within three months following appointment);
- Dealt with the Company's books and records;
- Obtained the statutory formal approvals from creditors relating to the joint administrators' remuneration;
- Applied to court for permission to distribute a dividend to the unsecured creditors;
- Started the process of agreeing the unsecured claims in principle including intercompany claims; and

- Dealt with our statutory duties as joint administrators, including responsibility for the Company's VAT and tax affairs and other incidental tasks associated with the winding down and ultimate dissolution of the Company.

We remain in office to agree to the remaining unsecured claims and pay a dividend, following which the administration will be concluded.

When we last reported, the key outstanding matters in the administration were as follows:

- Apply to court to allow to distribute a dividend to unsecured creditors in administration;
- Receive the debtor surplus funds collected by the secured creditor;
- Agree remaining claims;
- Declare and distribute the dividend to unsecured creditors; and
- Close the administration.

Realisation of other assets

As creditors might recall, assets not included in the sale were mainly unpaid customer debts that were subject to an invoice discounting facility provided by Close Brothers. At the time of our appointment, the sales ledger had a book value of £488k. Close Brothers also has security for its lending (of £387k) with a fixed and floating charge over the Company's assets.

Once the collection process was completed by Close Brothers, we liaised directly with them and our lawyers regarding the actions required to agree a release of the funds, including reviewing and signing a deed of release and ensuring that no claims can be brought against the administrators in respect of book debts collected. Due to the level of work required and the delays these negotiations caused on the pending dividend process, we were required to extend the administration for a period of 12 months.

Following the conclusion of the debt collection process and the deduction of termination charges and costs, a surplus of £167,962.28 was transferred to the administration estate on 3 December 2020.

No further realisations are expected from this source.

Application to court to distribute funds to the unsecured creditors

During the period of this report we applied to court to obtain permission to declare and pay a distribution to the unsecured creditors within the administration instead of first placing the Company into creditors' voluntary liquidation. We applied to court in February 2021 and the permission was granted shortly after. In preparation for the dividend, we have completed claims agreement work, including HMRC and intercompany claims. There are a number of creditors from whom we are yet to receive a claim form and we would urge any creditors who have not submitted their claims yet to do so as soon as possible.

Connected party transactions

We have a duty (under Statement of Insolvency Practice No. 13) to disclose any disposal of assets in the Administration to a director or other connected party during the period, regardless of the nature or value of the assets concerned.

We are not aware that any such transactions have occurred and none are expected in the future.

Change of administrator

Michael Denny, one of the previous joint administrators, has left the firm. To make sure that outstanding issues in the administration continue to be pursued, an application was made to the Court to remove him and appoint Ross Connock as administrator. Ross Connock is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The application was granted and so Ross Connock replaced Michael Denny as joint administrator with effect from 4 January 2021. Michael Denny will be released from all liability in respect of his conduct as administrator with effect from 28 days from the date of this report. Creditors have 28 days from receiving this notice to apply to Court to vary or discharge the Court order.

Corporation Tax

We have submitted the tax returns for the relevant periods and also requested a clearance from HMRC. The initial clearance request was sent on 4 January 2021 and we are chasing HMRC on a regular basis as we are required to obtain clearance to proceed with the dividend issue.

VAT

As Administrators, we also become responsible for dealing with the Company's VAT affairs and filing obligations. However, it was decided to deregister the Company for VAT purposes as of the date of administration. Subsequently, we prepared a final VAT return following the deregistration and any future VAT returns to be prepared on ad-hoc basis.

Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the administration from 11 March 2020 to 10 September 2020.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

Our fees

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case.

We are now seeking further approval from the creditors that our remuneration can now exceed the original fees estimate previously approved by creditors, due to the additional work we have needed to do. We attach the voting forms in the Appendix E. We do not believe it will be necessary to seek any further increases prior to ceasing to act as administrators. We explain the reasons why the fees estimate has been exceeded and the action you need to take.

Pre-administration costs

You can find in Appendix D, information about the approval of the pre-administration costs previously detailed in our proposals.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/28886/page/1/version-3-issued-october-2015/

You can also get a copy free of charge by telephoning Helena Perevalova on 0113 288 2046.

What we still need to do

You can find details of our future work in Appendix C.

Next steps

We expect to send our next report to creditors at the end of the administration in about six months. If you've got any questions, please get in touch with Helena Perevalova on 0113 288 2046.

Yours faithfully
For and on behalf of the Company



Ross Connock
Joint administrator

Appendix A: Receipts and payments

D&J (Steels) Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

FLOATING CHARGE REALISATIONS	Notes	Statement of Affairs (£)	From 11/09/2019 To 10/09/2020	From 11/09/2020 To 10/03/2021 £	From 11/09/2019 To 10/03/2021 £
Sale of business		240,000.00	240,000.00	NIL	240,000.00
Bank Interest Gross		NIL	548.84	NIL	548.84
Cash in hand		NIL	250.00	NIL	250.00
Book debts	3	NIL	NIL	167,962.28	167,962.28
Intercompany debt		150,000.00	NIL	NIL	NIL
Floating charge realisations in the Period			<u>240,798.84</u>	<u>167,962.28</u>	<u>408,761.12</u>
COST OF REALISATIONS/PAYMENTS					
Statutory advertising			77.00	NIL	77.00
Insurance			112.00	NIL	112.00
Pre-appointment legal fees & expenses			13,226.00	NIL	13,226.00
Legal fees & expenses			6,337.70	500.00	6,837.70
Office holders' pre-appointment fees	2		34,534.00	NIL	34,534.00
Office holders' fees	4		97,000.00	NIL	97,000.00
VAT Receivable			30,214.94	100.00	30,314.94
Cost of realisations/payments in the Period			<u>181,501.64</u>	<u>600.00</u>	<u>182,101.64</u>
BALANCE OF FLOATING CHARGE FUNDS			<u>59,297.20</u>	<u>167,362.28</u>	<u>226,659.48</u>
MADE UP AS FOLLOWS					
Barclays Bank Plc	1				226,659.48
TOTAL BALANCE AT BANK					226,659.48

1. Balances at bank are held in non interest bearing accounts following the request for tax clearance.
2. The joint administrators' pre-administration costs were approved for payment (as an expense of the administration) by the creditors on 4 May 2020.
3. There is an outstanding fixed charge registered against the Company in favour of Close Brothers in respect of the factored books debts. This amount has now been repaid in full.
4. The joint administrators' fees have been approved to be paid on a time cost basis

Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and includes our fees, but excludes distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

	Brought forward from preceding period £	Incurred in the period under review £	Cumulative £	Estimated future £	Anticipated total £	Initial estimate £	Variance £
Insurance	112	-	112	-	112	112	-
Pre-appointment costs (Irwin Mitchell)	14,168	(942)	13,226	-	13,226	14,168	942
Post-appointment legal fees and expenses	5,395	1,443	6,838	2,525	9,363	9,144	(219)
Office holders' disbursements	225	610	835	-	835	1,000	165
Pre-administration costs (PwC)	34,534	-	34,534	-	34,534	34,534	-
Office holders costs	112,430	29,901	142,331	17,669	160,000	129,058	(30,942)
Statutory advertising	77	Nil	77	77	154	154	-
Storage costs	2	1	3	10	13	13	-
Total	166,943	31,013	197,956	20,281	218,237	188,183	(30,054)

Our expenses have exceeded the estimate provided to all creditors before the basis of our fees was fixed on a time cost basis. Further details are provided below.

The further detail of our anticipated fee increase and work yet to be undertaken will be provided the in Appendix C

Appendix C: Remuneration update

Our fees were approved on a time costs basis by the general body of creditors. To date we have drawn fees of £97,000 in line with the approval given, as shown on the enclosed receipts and payments account.

The time cost charges incurred in the period covered by this report are £29,901.

Our time costs exceeded our initial estimate of £129,058 by £13,273 and we expect that our future costs to be incurred will be £17,699. Our new total estimated costs figure is £160,000. The Joint Administrators' fees have exceeded the initial estimate because of the following factors:

- We spent a significant amount of time dealing with the secured creditor in relation to the debt collection surplus, in order to ensure the best outcome for the unsecured creditors, which resulted in funds of £167,962.28 being transferred to the administration estate;
- This necessitated liaising directly with the secured creditor and our lawyers regarding the actions required to agree a release of the funds, including reviewing and signing a deed of release and ensuring that no claims can be brought against the administrators in respect of book debts collected;
- Due to the ongoing correspondence with the secured creditor and uncertainty surrounding the asset realisations, we had to extend the administration by additional 12 months to allow us to continue to pursue the asset realisations for the benefit of the unsecured creditors. This is something which had not been foreseen at the time of the original fees estimate;
- Due to the Coronavirus pandemic, there are further delays associated with obtaining confirmation from HMRC in relation to tax clearance and we have spent significant time chasing HMRC for confirmation of clearance to enable us to proceed with declaring and issuing a dividend.

We remain in the office to admit unsecured claims that are yet to be reviewed and admitted, pay a first and final dividend to unsecured creditors, obtain all necessary clearances, including HMRC and proceed with closure of the administration. Detailed description of work to be undertaken is provided in Appendix C.

We propose that it will take us additional £17,699 to complete our outstanding work which equates to approximately 53.9 hours of work to be undertaken at an average hourly rate of £328. We enclose voting forms to approve or reject our proposed fee increase of £30,942 at the Appendix F.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

Our hours and average rates

Time costs for the period of this report, with a cumulative column including the time brought forward from the last report:

	Partner	Director	Senior Manager	Manager	Senior Associate	Associate/ Other	Total Hours	Total Cost (£)	Average Hourly Rate (£)
Accounting and treasury	-	-	-	0.10	1.10	1.75	2.95	797	270
Assets	-	-	-	0.20	0.25	0.75	1.20	376	314
Creditors	-	0.25	1.30	2.60	3.20	7.75	15.10	5,141	340
Employees and pensions	-	-	-	-	-	0.05	0.05	12	245
Investigations	-	-	-	-	-	-	-	-	-
Statutory and compliance	-	-	1.70	7.20	6.40	24.95	40.25	13,043	324
Tax and VAT	0.40	-	0.70	5.10	9.80	2.55	18.55	9,864	532
Strategy and planning	0.10	-	-	-	0.60	1.45	2.15	668	311
Total for the Period	0.50	0.25	3.70	15.20	21.35	39.25	80.25	29,901	373
Brought forward							353.4	112,430	318
Total							433.65	142,331	328

A comparison of total time costs incurred compared to the fees estimate is shown below:

	Time costs up to 10 March 2021	Estimated future costs to be incurred	Total revised fee estimate	Initial fees estimate	Variance between the initial and revised fee estimate
Accounting and treasury	4,009	4,447	8,456	7,514	942
Assets	4,906	-	4,906	4,530	376
Creditors	17,715	8,830	26,554	24,682	1,872
Employees and pensions	4,973	752	5,725	5,725	-
Investigations	3,552	-	3,552	3,552	-
Statutory and compliance	74,020	2,172	76,192	63,940	12,252
Tax and VAT	23,310	1,054	24,355	12,855	11,500
Strategy and planning	9,846	414	10,260	6,260	4,000
Total hours and fees estimate	142,331	17,669	160,000	129,058	30,942

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the administration. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the administration (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by our cashiers, support and secretarial staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the administration.

Grade	Up to 30 June 2020 £	From 1 July 2020 £
Partner	690	850
Director	595	720
Senior Manager	515	585
Manager	405	475
Senior Associate - Qualified	310	390
Senior Associate - Unqualified	230	390
Associate	210	245
Support Staff	120	125

We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	Up to 30 June 2020 £	From 1 July 2020 £	From 1 September 2020 £
Partner	1,385	1,520	1,600
Director	1,275	1,465	1,465
Senior Manager	975	1,290	1,355
Manager	710	775	815
Senior Associate/Consultant	520	575	605
Associate/Assistant Consultant	330	285	325
Support Staff	285	230	230

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

Payments to associates

We have not made any payments to the associated companies.

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work

Accounting and treasury	<ul style="list-style-type: none"> Dealing with receipts, payments and journals Carrying out bank reconciliations 	<ul style="list-style-type: none"> To manage both post and pre appointment bank accounts To ensure receipts and payments are fully and accurately recorded 	<ul style="list-style-type: none"> Ensured proper management of funds held.
Assets	<ul style="list-style-type: none"> Following up with secured creditor and solicitor in relation to release of the funds Reviewing and signing deeds of assignment 	<ul style="list-style-type: none"> To maximise the returns to the creditors 	<ul style="list-style-type: none"> Work is completed to ensure the that the asset recoveries are maximised for better return to the creditors
Creditors	<ul style="list-style-type: none"> Receiving and following up creditor enquiries via telephone, email and post Reviewing and preparing correspondence to creditors and their representatives Liasing with the secured creditor in relation to the debt surplus Preparing correspondence to potential creditors inviting lodgment of proof of debt Receiving proofs of debt and maintaining register Planning for dividend distribution Agreeing intercompany claims 	<ul style="list-style-type: none"> To manage creditor enquiries To keep creditors informed on the progress of the case. 	<ul style="list-style-type: none"> Work is required by statute and for the proper administration of the case.
Employees and pensions	<ul style="list-style-type: none"> Internal discussions regarding the pension position and statutory matters 	<ul style="list-style-type: none"> To comply with our statutory obligations 	<ul style="list-style-type: none"> Work is required by statute and for the proper administration of the case
Statutory and compliance	<ul style="list-style-type: none"> Conducting case reviews every six months Issuing periodic progress reports to creditors and the Registrar Issuing notices and associated documentation for seeking decisions of creditors Filing of documents Updating checklists and diary management system Facilitating transfer of appointees, ensuring the statutory notifications and handovers are completed and signed off Preparing documents, witness statements and supporting evidence for court application to distribute dividend to unsecured creditors in administration 	<ul style="list-style-type: none"> To comply with our statutory obligations. 	<ul style="list-style-type: none"> Work is required by statute and for the proper administration of the case
Tax & VAT	<ul style="list-style-type: none"> Preparing tax computations Liaising with HMRC Preparing final VAT returns Completing VAT deregistration 	<ul style="list-style-type: none"> To comply with our statutory obligations 	<ul style="list-style-type: none"> Required by statute/regulations.
Strategy and planning	<ul style="list-style-type: none"> Preparing fee budgets and monitoring costs Holding team meetings and discussions regarding status of administration Completing internal reviews to ensure progression of the case 	<ul style="list-style-type: none"> To ensure case progression and monitoring costs 	<ul style="list-style-type: none"> Controls efficiencies, time costs and ensures continued case progression towards closure.

Closure procedures	<ul style="list-style-type: none"> • Updating internal closure checklist to ensure that the closure matters are addressed in timely manner 	<ul style="list-style-type: none"> • To comply with our statutory obligations 	<ul style="list-style-type: none"> • Required by statute/regulations.
--------------------	---	--	--

Our future work

We still need to do the following work to achieve the purpose of administration.

Area of work	Work undertaken	Estimated cost £	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Accounting and treasury	<ul style="list-style-type: none"> • Dealing with receipts, payments and journals • Carrying out bank reconciliations • Processing dividend payment and cheque printing • Corresponding with bank regarding specific transfers • Closing bank accounts and related systems 	<ul style="list-style-type: none"> • 4,447 	<ul style="list-style-type: none"> • Ensure proper management of funds held.
Creditors	<ul style="list-style-type: none"> • Receiving and following up creditor enquiries via telephone, email and post • Reviewing and preparing correspondence to creditors and their representatives • Preparing correspondence to potential creditors inviting lodgment of proof of debt • Receiving proofs of debt and maintaining register • Adjudicating claims, including requesting further information from claimants • Preparing correspondence to claimant advising outcome of adjudication and advising of intention to declare dividend • Advertising intention to declare dividend • Calculating dividend rate and preparing dividend file • Preparing correspondence to creditors announcing declaration of dividend • Preparing and paying distribution • Dealing with any unrepresented cheques and re-issuing where necessary 	<ul style="list-style-type: none"> • 8,839 	<ul style="list-style-type: none"> • Work is required by statute and for the proper administration of the case.
Employees and pensions	<ul style="list-style-type: none"> • Minimal ad-hoc work in relation to statutory compliance and review matters 	<ul style="list-style-type: none"> • 752 	<ul style="list-style-type: none"> • Work is required by statute and for the proper administration of the case
Statutory and compliance	<ul style="list-style-type: none"> • Conducting case reviews every six months • Issuing periodic progress reports to creditors and the Registrar • Making applications to court (if required) for the extension of the administration and filing relevant notices • Issuing notices and associated documentation for seeking decisions of creditors 	<ul style="list-style-type: none"> • 2,172 	<ul style="list-style-type: none"> • Work is required by statute and for the proper administration of the case

	<ul style="list-style-type: none"> • Dealing with records in storage • Sending job files to storage • Filing of documents • Updating checklists and diary management system • Ensuring efficient closure of the administration and correct way • Signing off checklists, closing databases • Terminating internal records systems 		
Tax & VAT	<ul style="list-style-type: none"> • Liaising with HMRC regarding awaited tax clearance • Preparing ad-hoc VAT returns 	• 1,045	• Required by statute/regulations
Strategy and planning	<ul style="list-style-type: none"> • Preparing fee budgets and monitoring costs • Holding team meetings and discussions regarding status of administration • Completing internal reviews to ensure progression of the case 	• 414	• Controls efficiencies, time costs and ensures continued case progression towards closure.

Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the administration and has been approved by the general body of creditors where required.

The following disbursements arose in the period of this report.

2	Photocopying – At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	Nil
2	Mileage – At a maximum of 70 pence per mile (up to 2,000cc) or 91 pence per mile (over 2,000cc)	Nil
1	Bonding and costs associated with replacement of the joint appointee	834.73
	Total	834.73

Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

Details of subcontracted work

We have not subcontracted any work in the period.

Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services, including: Pre-appointment advice including: <ul style="list-style-type: none">• drafting and assisting with the sale contract and appointment of administrators Additional work including: <ul style="list-style-type: none">• application to court to allow unsecured distribution within administration• Providing advice in relation to the release of funds from Close Brothers.	<ul style="list-style-type: none">• Irwin Mitchell	<ul style="list-style-type: none">• Industry knowledge and insolvency expertise	<ul style="list-style-type: none">• Time costs and disbursements

Appendix D: Pre-administration costs

The following costs incurred before our appointment with a view to the Company going into administration were approved for payment on 4 May 2020 and were paid in a prior period.

Nature of costs	Amount (£)
Fees charged by the administrators	34,534.27
Expenses incurred by the administrators	14,168.00
Total	48,702.27

Note: The pre appointment legal fees billed were less than the approval given, at £13,226. No further fees will be drawn in respect of pre appointment matters.

Appendix E: Other information

Court details for the administration:	Business and Property Courts in Birmingham Insolvency and Companies List (ChD) CR2019 - BHM - 000713
Company's registered name:	D&J (Steels) Limited
Trading name:	D&J Steels
Registered number:	06508325
Registered address:	8th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL
Date of the joint administrators' appointment:	11 September 2019
Joint administrators' names, addresses and contact details:	Ross Connock of PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol BS2 0FR and David Matthew Hammond of PricewaterhouseCoopers LLP, One Chamberlain Square, Birmingham B3 3AX Contact details: helena.perevalova@pwc.com
Extensions to the initial period of appointment:	Administration extended by 12 months until 10 September 2021

Appendix F: Voting forms for decision procedure

Notice to creditors seeking decisions by correspondence

In accordance with
rules 15.8,15.11,
18.16,18.24
and 18.25 of the
Insolvency (England
and Wales) Rules 2016

Name of Company D&J (Steels) Limited	Company Number 06508325
In the Business and Property Courts in Birmingham Insolvency and Companies List (ChD)	Court case number CR-2019-BHM-00713

(a) Insert full names of
administrators

We (a) Ross David Connock of PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol BS2 0FR and David Matthew Hammond of PricewaterhouseCoopers LLP, One Chamberlain Square, Birmingham B3 3AX, joint administrators of the company give notice to creditors that we are seeking a decision by correspondence on the following resolutions (b)

(b) Insert resolutions

- (1) THAT – the joint administrators be authorised to draw fees with reference to the time properly given by the administrators and the various grades of their staff according to their firm’s usual charge out rates of work of this nature and that the administrators be authorised to draw such fees from time to time, up to a maximum of £160,000.00 (including fees already drawn).
- (2) AND as to whether a creditors’ committee should be established if sufficient creditors are willing to be members.

Information on the formation, rights, duties and functions of a committee can be found in the attached guide for creditors.

We are also inviting creditors to make nominations for membership of the creditors’ committee, if one is established.

We therefore invite you to vote on the above. To submit your vote please indicate below whether you are voting for or against each resolution and whether or not you want a committee to be established and return this notice to us by post at the address below, to be received by us by 23.59 hrs on (c) 7 May 2021 (the decision date).

(c) Insert date

In order to be entitled to vote we must receive from you by 23.59 hrs on the decision date, a proof in respect of your claim in accordance with the Insolvency (England and Wales) Rules 2016 (IR16), failing which your vote will be disregarded. A proof of debt form which you can use is attached and is also available at <https://www.pwc.co.uk/dandjsteels>.


If your debt is treated as a small debt in accordance with rule 14.31(1) IR16 (creditors with claims of £1,000 or less), you must still deliver a proof to us by 23.59 hrs on the decision date if you wish to vote.

If you have opted out from receiving notices you may nevertheless vote if you provide a proof as set out above.

Creditors who meet one of the thresholds in section 246ZE of the Insolvency Act 1986 may, within five business days from the date of delivery of this notice, require a physical meeting to be held to consider the matter(s) set out above. The relevant thresholds are 10% in value of creditors, 10% in number of creditors, or 10 creditors.

If you wish to nominate any creditor(s) to be members of a creditors’ committee if creditors decide that a committee should be established, you must deliver your nomination to us by decision date. A nomination can only be accepted if we are satisfied as to the creditor’s eligibility under rule 17.4 IR16.

A creditor may appeal a decision in accordance with rule 15.35 IR16 by applying to court not later than 21 days after the decision date.

Signed 

Joint administrator

Dated 8 April 2021

Administrators' postal address: 8th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL

Administrators' contact telephone number: 0113 288 2046

In accordance with rule
15.9 of the Insolvency
(England and Wales)
Rules 2016

Name of Company D&J (Steels) Limited	Company Number 06508325
In the Business and Property Courts in Birmingham Insolvency and Companies List (ChD)	Court case number CR2019-BHM-00713

To be completed by creditor and returned to the postal address above if you wish to vote

Insert creditor's name
and address, and
registered number if a
company

I/We

Company number (if creditor is a company) _____

of _____

vote as follows:

	Delete as applicable *
Resolution (1) THAT – the joint administrators be authorised to draw fees with reference to the time properly given by the administrators and the various grades of their staff according to their firm's usual charge out rates of work of this nature and that the administrators be authorised to draw such fees from time to time, up to a maximum of £160,000.00 (including fees already drawn).	* for / against
Decision whether a creditors' committee should be established I/we want a creditors' committee to be established if sufficient creditors are willing to be members.* OR I/we do not want a creditors committee to be established.* *Delete as applicable	
Committee member: I/we nominate [creditor to insert name of creditor*] _____ to be a member of the committee if one is established. <small>*If you wish to nominate a creditor to be a member of a committee if one is established, please insert here the name of that creditor. A creditor can nominate themselves or another creditor. If the creditor is a company you must insert the company's name</small>	
Committee member's consent to act and representative: I/we consent to act as a member of the committee and authorise [insert representative's name here*] _____ to represent me/us on the committee with authority to act generally. <small>* A creditor which is a company or other body corporate must be represented by an individual. A creditor who is an individual can be represented by another individual but does not need to be. If you don't insert the name of a</small>	

representative, the nominated creditor can still be represented on any committee, but may need to provide a letter of authority to the representative before they can act. A representative may be authorised to act either generally or specifically. If you wish to authorise your representative to act specifically, please amend the authority above and state in what respect they are authorised to act.

I/we enclose my/our proof of debt (if not previously submitted)

Signature of creditor or person authorised to act on behalf of the creditor:

Name in block capitals:

Position with or relation to the creditor (e.g. director, company secretary, solicitor):

Date: _____