

The Insolvency Act 1986

2.35B**Notice of move from
administration to dissolution**

Name of Company

Blackpath Construction Limited

Company number

06945060

In the
Leeds District Registry

(full name of court)

Court case number
584 of 2012(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a) Kelly Burton
The Manor House
260 Ecclesall Road South
Sheffield
S11 9PSLisa Jane Hogg
The Manor House
260 Ecclesall Road South
Sheffield
S11 9PS(b) Insert name and
address of
registered office of
companyhaving been appointed administrator(s) of (b) Blackpath Construction Limited
Wilson Field The Manor House, 260 Ecclesall Road South Sheffield, S11 9PS(c) Insert date of
appointmenton (c) 20 April 2012
by (d) Leeds District Registry(d) Insert name of
appointorhereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986
apply

I/We attach a copy of the final progress report

Signed

Joint / Administrator(s)

Dated

6/10/13

Contact DetailsYou do not have to give any contact
information in the box opposite but if
you do, it will help Companies House to
contact you if there is a query on the
formThe contact information that you give
will be visible to searchers of the
public record

Companies House receipt date barcode

Wilson Field Limited
The Manor House
260 Ecclesall Road South
Sheffield
S11 9PS

DX Number

Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

01142356780
DX Exchange

MONDAY



A05

A2115W2B

07/10/2013

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COMPANIES HOUSE

In the matter of Blackpath Construction Limited

And

In the matter of The Insolvency Act 1986 as amended by The Enterprise Act 2002

**Joint Administrators' Final Progress report to creditors pursuant to Rule 2.110 of The
Insolvency Rules 1986 as amended by The Insolvency (Amendment) Rules 2010**

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1 Introduction

This report to creditors is made pursuant to Rule 2.110 of the Insolvency Rules 1986 as amended by the Insolvency (Amendment) Rules 2010 and covers the whole period of the Administration

This report should be read in conjunction with Administrators' proposals which were circulated to all known creditors on 12 June 2012

The proposals were subsequently agreed by creditors, confirmation of which was circulated to all known creditors on 20 September 2012

This report is prepared on an exception basis detailing only material changes from the last report

2. Company and Administrators' Details

Company name	Blackpath Construction Limited
Registered address	c/o Wilson Field Limited The Manor House 260 Ecclesall Road South Sheffield S11 9PS
Other trading names of the company	-
Company number	06945060
Name of Court	High Court of Justice, Chancery Division, Leeds District Registry
Court Reference Number	584 of 2012
Name of Joint Administrator	Kelly Burton and Lisa Jane Hogg of Wilson Field Ltd, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS
Date of Administrators Appointment	20 April 2012
Persons making appointment/application	The Joint Administrators were appointed by Bibby Financial Services Limited ("Bibby") as holders of a qualifying floating charge pursuant to Paragraph 14 of Schedule B1 to the Insolvency Act 1986
Change in Office Holder	None
Acts of the Joint Administrators	The Joint Administrators act as officers of the Court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time
Term of office	The Administrators term of office was extended for a further 6 months until 05 October 2013

3. Progress during the Period

Attached at appendix A to this report is a receipts and payments account for the whole period of the Administration

Sale of the Company's business and assets

As referred to in the Joint Administrators' proposals and subsequent progress report, the Company's business and assets were sold to Blackpath Construction (NE) Limited ("BCNE") upon the appointment of Joint Administrators for £20,000. In accordance with Statement of Insolvency Practice 16 (SIP16), full details of the sale were disclosed with the initial notice of the Joint Administrators' appointment which was circulated to creditors on 25 April 2012.

In accordance with the terms of the asset sale agreement, the consideration in respect of the sale was subject to deferred payment terms, with £5,000 being payable upon completion and the balance of £15,000 payable by way of three equal monthly instalments of £5,000 due in May, June and July 2012. The initial instalment of £5,000 was received upon completion of the sale.

Unfortunately BCNE have suffered cashflow difficulties which has left them unable to adhere to the agreed repayment terms in respect of the deferred element of the consideration. However, under the asset sale agreement, BCNE are authorised to act as agents on behalf of the Joint Administrators in the collection of the outstanding book debts due to the Company. In consideration for their assistance in this respect, it was agreed that BCNE are entitled to receive a 20% collection fee on the amounts they collect. BCNE have agreed that any collection fees payable to them upon the collection of the various sums due to the Company can be allocated against the outstanding balance of deferred consideration.

In accordance with this agreement, BCNE have earned collection fees on book debt realisations to date totalling £7,741.38 and these funds have been allocated against the outstanding deferred consideration. With these collections fees taken into account, a balance of £7,258.62 remains outstanding at the date of this report. As referred to previously, BCNE have advised that all future collection fees due to them can be retained and offset against the outstanding balance of deferred consideration.

However, in February 2013 the Joint Administrators were contacted by BCNE who advised that they had a minimal work load and diminishing turnover and were therefore reducing their trading activities. In addition, Kevin Fenley, director and shareholder of both the Company and BCNE, advised that he was resigning his position as a director of BCNE and seeking alternative employment in an effort to reduce BCNE's overheads.

Under the terms of the sale and purchase agreement with BCNE, Mr Fenley had provided a personal guarantee for the deferred element of the consideration. Given BCNE's position, the Joint Administrators instructed their solicitors to write to Mr Fenley and demand repayment of the outstanding deferred consideration within seven days. No response was received from Mr Fenley to the first demand letter so a second, seven day letter was issued on 5 March 2013.

Following the issue of the demand letters, Mr Fenley made contact with the Joint Administrators to discuss the situation. Mr Fenley's obligations under the sale and purchase agreement were explained to him, however, he reported a lack of available funds to discharge his personal guarantee obligation. However, Mr Fenley indicated that he was still actively pursuing the book debts due to the Company and was confident that further realisations would be achieved. He further advised that the commission payable to BCNE on these collections will extinguish the outstanding deferred consideration.

Given this position, the Joint Administrators applied to unsecured creditors, to consent to a six month extension of the Administration term. This was granted and extended until 05 October 2013.

The extension was requested in order to realise the remaining assets in this case, being the deferred consideration arrears and the book debts due to the Company

As detailed in the progress report, in the event that future book debt commissions due to BCNE are insufficient to discharge the balance of deferred consideration, the Joint Administrators would take steps to recover this from Mr Fenley under his personal guarantee. The Joint Administrators' solicitors have entered into correspondence with Mr Fenley in respect of the outstanding balance, however, he has reported a lack of funds to enable him to meet his obligations under the sale and purchase agreement. Whilst the Joint Administrators considered issuing proceedings against Mr Fenley for the outstanding balance, it was considered that the costs associated to this were unlikely to result in any further recoveries and therefore would be incurred to the detriment of the Administration estate. We are therefore taking no further action in this respect.

Book debts

Upon the Joint Administrators' appointment, we were advised that there were non-factored book debts due to the Company of approximately £200,000.

As referred to in the Joint Administrators' proposals and progress report, the Joint Administrators' specialist debt collection team are pursuing the sums due to the Company in conjunction with BCNE and Ian Glover of the IRG Partnership ("IRG"). It is considered that the involvement of BCNE and IRG in the collection process will maximise realisations of the sums due to the Company.

To date realisations from this source total £43,730. Creditors may recall that the directors' statement of affairs appended to the Joint Administrators' proposals estimated realisations of £200,000 in respect of book debts, however, as detailed previously, the Joint Administrators consider that actual realisations will be considerably lower than those estimated by the directors.

One major debtor who is indebted in the region of £80,000 according to the Company's records has raised a number of contractual issues that have resulted in significant remedial works being required. IRG were in correspondence with the debtor to ascertain the extent of the alleged defects and have now confirmed that the costs of the remedial works have been evaluated. IRG believe that the costs of the remedial works are reasonable, given the defects highlighted. In addition, the debtor alleged that it has claims against the Company as a creditor under other contracts and has sought to apply mutual set-off against the sums due to the Company, which have now been quantified. IRG have now concluded that there will be no realisation in respect of this debtor.

As previously reported, Bibby provided a factoring facility to the Company and to secure its lending had registered a debenture incorporating a fixed and floating charge dated 4 April 2012. As debenture holder and secured creditor, Bibby were entitled to receive funds from certain debtors direct. Bibby have collected several debts under its security and this has reduced the book value of the outstanding book debts by over £30,000. In addition, the Joint Administrators received a payment from a debtor and a proportion of these monies were subject to Bibby's lending. Accordingly, a distribution of £11,474.19 was made to Bibby under its fixed charge from this receipt. We understand that Bibby's outstanding indebtedness has now been repaid in full.

In addition, following a review of the Company's books and records obtained by the Joint Administrators it became apparent that a further £30,000 of the suggested book value of the outstanding book debts were unlikely to be collected for a variety of reasons. One debtor exceeding £8,000 was placed into compulsory liquidation with no prospect of a dividend to unsecured creditors. In addition, a further debtor of £22,000 has submitted a claim as a creditor which significantly exceeds the outstanding book debt and is seeking to offset its indebtedness against its creditor claim.

Despite the previous issues encountered in collecting the book debts due to the Company, the Joint Administrators' specialist debt collection team continued to work alongside IRG and BCNE in an effort

to maximise realisations of the outstanding book debts and retentions. In a number of cases, retention monies were due to be released to the Company throughout 2013, however, several of the debtors have made claims on the retentions held due to defects with the Company's works and it is not considered that there will be any significant recoveries from this source to warrant further extending the Administration period.

4. Investigations

It is a statutory requirement that the Joint Administrators submit a report on the Directors' conduct to The Insolvency Service, within six months of appointment. The appropriate report has been submitted, however I am unable to comment on the content of the report.

I confirm that I have investigated the affairs of the company in accordance with Statement of Insolvency Practice 4.

5. Distributions

Fixed Charge Creditors

As referred to previously, Bibby hold a debenture incorporating a fixed and floating charge dated 4 April 2012. Bibby provided a factoring facility in respect of the Company's book debts and had lent against certain invoices caught under the facility. As a result, Bibby has received a distribution of £11,474.19 under its fixed charge over the Company's book debts. We understand that Bibby's outstanding indebtedness has been repaid in full.

Preferential Creditors

The Company's employees transferred to BCNE under the TUPE regulations following their acquisition of the Company's business and assets. Accordingly, no preferential claims have been received in this matter and none are anticipated.

Prescribed Part

Within the Insolvency Act 1986 there are provisions for a fund, called the Prescribed Part, to be set aside for distribution to the unsecured creditors. The fund is calculated on the net realisations of assets subject to a floating charge contained in a debenture created on or after 15 September 2003 and the implementation of the Enterprise Act 2002.

In this instance, Bibby's outstanding indebtedness has been repaid in full under its fixed charge and there will therefore be no realisations subject to a floating charge and the Prescribed Part provisions do not apply.

Unsecured Creditors

Unsecured claims received to date total £225,515.45. However, there are insufficient funds to enable a dividend to be paid to unsecured creditors.

6. Joint Administrators' Remuneration

Pre-Administration costs

On 09 August 2012, creditors approved the Joint Administrators' pre-administration time costs of £3,230.

Post-Administration costs

In accordance with Rule 2 106 of the Insolvency Rules 1986, on 09 August 2012 creditors agreed to the Joint Administrators remuneration being based on time properly given by the Joint Administrators and their staff

Attached at Appendix B is a detailed summary of our time costs during the period 20 April 2012 to 03 October 2013 of £82,503, comprising 310 56 hours at an average charge out rate of £275 23 To date, fees of £26,950 have been drawn on account Details of Wilson Field Limited's charge out rates and disbursements are attached at Appendix C

The Administration expenses for the period are as follows (* denotes that they are Category 2 disbursements) -

	Expenses Incurred £	Expenses Drawn £
Specific Bond	160 00	160 00
Document Upload Fees*	100 00	100 00
Postage, Stationery & Photocopying*	441 00	441 00
Companies House search fees*	50 00	50 00
Travel Expenses*	117 83	117 83
Storage & Collection of Records	293 85	293 85
Statutory Advertising	538 26	538 26
Total	1,700.94	1,700.94

Within 21 days of receipt of this progress report a creditor may request further information regarding the Joint Administrators remuneration and expenses Any request must be in writing and may be made by either a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors, or the permission of the court

Any remaining monies will be utilised towards the Joint Administrators outstanding time costs

If any further realisations are made subsequent to the Joint Administrators vacating office, the former Administrators' remuneration and expenses shall be charged against the same in accordance with paragraph 99 of Schedule B1 of the Insolvency Rules 1986

7 Conclusion

In accordance with the initial proposal sent to creditors on 12 June 2012, the company will be struck off from the Companies Register under the dissolution rule provided under paragraph 84 of Schedule B1 of the Insolvency Act 1986

Yours faithfully



Lisa Jane Hogg

Joint Administrator


Acting as agent of the company without personal liability

Enc

Kelly Burton and Lisa Jane Hogg of Wilson Field Ltd were appointed Administrators to Blackpath Construction Limited on 20 April 2012 The affairs, business and property of the company are being managed by the Administrators without personal liability

Blackpath Construction Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 03/04/2013 To 03/10/2013	From 20/04/2012 To 03/10/2013
ASSET REALISATIONS		
Book Debts	NIL	43,729 99
Cash at Bank - Monies Received	NIL	NIL
Bank Interest Net of Tax	0 91	12 74
Sale of assets	NIL	12,741 38
	<u>0 91</u>	<u>56,484 11</u>
COST OF REALISATIONS		
Specific Bond	NIL	160 00
Pre administration fee	NIL	3,230 00
Administrators fees	2,400 00	26,950 34
Agents/Valuers Fees (1)	NIL	9,451 15
costs of remedial works completed	NIL	3,047 02
Document Upload Fees	NIL	100 00
Postage, stationery, photocopying	NIL	441 00
Search Fees	NIL	50 00
Travel expenses	NIL	117 83
Storage and collection of records	NIL	293 85
Statutory Advertising	NIL	538 26
Money due to Factoring Company	NIL	11,474 19
	<u>(2,400 00)</u>	<u>(55,853 64)</u>
	<u>(2,399 09)</u>	<u>630.47</u>
REPRESENTED BY		
Bank 1 Current		630 47
		<u>630.47</u>


 Kelly Burton
 Administrator

SIP9 Detailed

BLAK01A Blackpath Construction Limited

Administration

01/01/1900 to 03/10/2013

SIP9 SubCategory	IP's	Managers	Administrators	Support	Cashiers	Total Hours	Time Cost £	Avg Rate
Administration and planning								
Appointment	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Cashiering	0 00	4 40	0 40	0 30	6 06	11 16	2,277 19	204 05
Case Reviews	3 10	1 40	6 80	0 30	0 00	11 60	3,544 00	305 52
Directors/Client	8 50	0 00	1 00	0 00	0 00	9 50	3,290 00	346 32
General Administration	6 80	0 00	10 63	2 35	0 00	19 78	5,007 33	253 15
Statutory and Compliance	7 30	0 00	46 76	0 00	0 00	54 06	12,536 34	231 90
Strategic Overview	0 00	0 00	1 50	1 60	0 00	3 10	643 00	207 42
Site Visit	7 50	0 00	19 60	0 00	0 00	27 10	6,741 00	248 75
Unspecified	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	33 20	5 80	86 69	4 55	6 06	136 30	34,038 86	249 73
Creditors								
Creditors Claims	4 50	0 00	1 60	0 16	0 00	6 26	1,939 66	309 85
Communications with Creditors	7 50	0 00	3 70	0 00	0 00	11 20	3,328 00	296 96
Employees	0 00	0 00	0 30	0 00	0 00	0 30	78 00	260 00
Shareholders	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Tax and VAT	0 30	0 00	0 00	0 00	0 00	0 30	150 00	500 00
	12 30	0 00	5 60	0 16	0 00	18 06	5,493 66	304 19
Investigations								
Antecedent Transactions	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
CDDA Report	0 00	0 80	0 00	0 00	0 00	0 80	240 00	300 00
Investigation and Review	1 00	6 70	11 00	0 60	0 00	19 30	5,214 00	270 16
	1 00	7 50	11 00	0 60	0 00	20 10	5,454 00	271 34
Realisation of assets								
Debt Collection	48 80	0 00	76 10	0 00	3 90	128 80	35,352 00	274 47

SIP9 SubCategory	IP's	Managers	Administrators	Support	Cashiers	Total Hours	Time Cost	Avg Rate
Identifying, Securing and Insuring	1 40	0 00	0 00	0 00	0 00	1 40	630 00	450 00
Property, Business and Asset Sales	0 00	0 00	5 90	0 00	0 00	5 90	1,534 00	260 00
ROT	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	50 20	0 00	82 00	0 00	3 90	136 10	37,516 00	275 65
Trading								
Accounting for Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Ongoing Employee Issues	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Management of Operations	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	0 00	0 00	0 00	0 00	0 00	0 00	0 00	NaN
Total Hours	96 70	13 30	185 29	5 31	9 96	310 56		
Total Fees £	35,845 00	4,390 00	40,180 67	774 66	1,312 19		82,502 52	

Blackpath Construction Limited – In Administration

Appendix C

Wilson Field Limited Charge out Rates and Disbursement Policy

WILSON FIELD LIMITED CHARGE OUT RATES AND DISBURSEMENT POLICY

In accordance with the statement of insolvency practice covering fees and disbursements, we are required to disclose to you our policy for recovering non-specific disbursements, and the charge out rates for the various grades of staff who may be involved in this case

Hourly Charge Out Rates

Directors/Insolvency Practitioner	£350 – 500
Managers & Senior Managers	£260 – 400
Administrators and Senior Administrators	£120 – 240
Secretarial & Support	£100 – 130

The office holder(s) will seek approval from creditors to draw remuneration on a time cost basis, in accordance with the rates detailed above, at the meeting of creditors

In common with all professional firms, our charge out rates increase from time to time. We reserve the right to change the rates without prior notice to you. Any change will be reported in the next statutory report to creditors.

Rechargeable Disbursements

Category 2 disbursements – as defined in SIP 9 – requiring prior approval of creditors

Postage, stationery, photocopying etc	£7 per creditor per year (or part year)
Room Hire where meeting held at Wilson Field office	£100 (£150 for London)
Storage of books and records	£6 per box per month
Mileage	45p per mile
Collection of books and records	£30 per hour
Companies House search fees	£10 per search document
Land Registry On-Line search fees	£10 per document
Document Upload Centre charge	£100
Registering of restrictions on property	£150* per restriction *
Removal of a restriction on a property	£50* per restriction
Property Transfer Fees	£250* per transfer
Issuing winding up petitions	£1,000*
Issuing bankruptcy petitions	£1,000*

*These category 2 disbursements are in relation to profit cost only. Any category 1 disbursement in respect of these such as Court Fees, Deposit fees, Land Registry fees will also be recovered at the prevailing rates.

The office holder(s) will seek approval from creditors to draw these disbursements at the creditors meeting.

These rates are applicable on all insolvency appointments from 20 October 2011 until further notice.