

The Insolvency Act 1986

Administrator's progress report**R2.38**

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company

JKM Property Services Limited

Company number

SC138992

(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
Michael James Meston Reid
Meston Reid & Co
12 Carden Place
Aberdeen
AB10 1UR

administrator(s) of the above company attach a progress report for the period

from

to

(b) Insert date(s)

(b) 19 October 2011

(b) 18 April 2012

Signed

Joint / Administrator(s)

Dated

11.5.12

Contact Details:

You 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 form.

The contact information that you give will be visible to searchers of the public record

Michael James Meston Reid
Meston Reid & Co
12 Carden Place
Aberdeen
AB10 1UR

DX Number

01224 625554
DX Exchange

FRIDAY



SCT

18/05/2012

#575

COMPANIES HOUSE

When you have completed and signed this form, please send it to the Registrar of Companies at:-

Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge,
Edinburgh, EH3 9FF
DXED235 Edinburgh 1 / LP- 4 Edinburgh 2

JKM PROPERTY SERVICES LIMITED – IN ADMINISTRATION

ADMINISTRATOR'S REPORT TO CREDITORS

MAY 2012

**Meston Reid & Co
Chartered Accountants
12 Carden Place
Aberdeen
AB10 1UR**

JKM PROPERTY SERVICES LIMITED – IN ADMINISTRATION

ADMINISTRATOR'S REPORT TO CREDITORS

MAY 2012

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JKM PROPERTY SERVICES LIMITED – IN ADMINISTRATION

ADMINISTRATOR'S REPORT TO CREDITORS

MAY 2012

1. Introduction

Michael James Meston Reid CA, Meston Reid & Co, 12 Carden Place, Aberdeen, AB10 1UR was appointed administrator of JKM Property Services Limited "JKM" by its directors. Such appointment was ratified by the court of session on 19 October 2011.

In accordance with rule 2.38 of The Insolvency (Scotland) Rules 1986, the administrator sets out below his report to the creditors of JKM in respect of the first six months of the process.

2. Summary of administrator's proposals

The administrator's proposals which were sent to creditors on 8 December 2011 comprised:

- (a) Progress book debt collections with a view to collecting all outstanding monies due to JKM in respect of invoices issued and contract payment applications submitted, and complete any ongoing contract work in order to issue sales invoices.
- (b) Monitor completed contracts with a view to collecting retention monies due.
- (c) Undertake all duties and exercise such powers as may be required in order to achieve the purpose of the administration.
- (d) Settle all valid administration outlays. In this regard, if there be any unpaid costs of the administration at conclusion of the process, they will be given priority over the costs of any subsequent insolvency procedure that may arise.
- (e) Seek an extension of the administration period if deemed necessary by the administrator in accordance with paragraphs 77 and 78 of schedule B1 of the Insolvency Act 1986.
- (f) Once the monies available have been distributed to creditors in accordance with their legal ranking, file a notice with both the court and the registrar of companies in order that the process can conclude.
- (g) Apply to court seeking an order in terms of section 65 of schedule B1 of the Insolvency Act 1986 allowing the administrator to pay a distribution to unsecured creditors (if applicable).
- (h) Should creditors deem it appropriate, the process will move from administration to liquidation following the initial meeting of creditors in the form of a creditors voluntary liquidation in accordance with section 83(2) of schedule B1 of the Insolvency Act 1986 or compulsory under Rule 4.7(7) of the Insolvency (Scotland) Rules 1986 as the administrator shall deem appropriate. The administrator will continue in office as liquidator should liquidation proceedings ensue.
- (i) The administrator's remuneration be fixed on the basis of time, cost and outlays properly incurred by him and his staff in attending to matters arising in the insolvency in accordance with Statement of Insolvency Practice 9 "SIP9".

JKM PROPERTY SERVICES LIMITED – IN ADMINISTRATION

ADMINISTRATOR'S REPORT TO CREDITORS

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3. Progress report

Book debt collection

Book debts recorded in the JKM records as at 19 October 2011 totalled £537,988 and to date, £246,812 has been recovered.

Full recovery of the balance is not anticipated due to various issues that have been brought to the administrator's attention and therefore a provision of approximately 50% has been made for potential bad or doubtful debts. This leaves an estimated recoverable balance of £150,000.

Work-in-progress

To date £143,375 has been invoiced and £17,553 collected. Further sales invoices will be issued shortly for about £25,000. In light of customer representations received to date, a recovery of approximately 30% of the original figure is believed to be realistic.

Retentions

Retentions recorded in the JKM records totalled £30,462 as at the date of administration. It is anticipated that recovery from retentions will be less than anticipated because some contracts were not completed and various snagging issues have been highlighted. Based upon customer responses to date, £7,615 is likely to be recoverable.

Enquiries have revealed that JKM are due retentions for a number of jobs performed for a large customer. Total retentions approximate £40,000 and should be paid periodically until October 2013. Full recovery is unlikely because there have been various issues with jobs and the cost of remedial work will be deducted from the retentions.

The recovery process for book debts, work in progress and retentions has been progressed with assistance from former JKM personnel and other appropriate professional advisors.

Floating charge holder

A floating charge was created in favour of Bank of Scotland on 11 September 1996 and registered on 23 September 1996. The bank has submitted a claim of £381,639.78.

Since the onset of administration proceedings, monies were lodged by some customers in the JKM bank account. It has been agreed with the bank that when the sum has been quantified and agreed, such lodgements can be retained by the bank and treated as a first interim dividend. Initial investigations suggest this sum to be £99,281 (book debts and work in progress invoices collected by the bank) less £16,446 that reverted to the administrator in respect of post-appointment invoices. This will be subject to formal agreement between the bank and the administrator in due course.

JKM PROPERTY SERVICES LIMITED – IN ADMINISTRATION

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5. Receipts and payments account

The administrator's receipts and payments account in respect of the six month period from 19 October 2011 (date of administration) to 18 April 2012 is attached: appendix 1.

6. Claims and dividend prospects

From review of the claims received, £71,340 is likely to be afforded a preferred ranking, £381,639.78 falls to be dealt with under the bank's floating charge, and the balance will be unsecured.

A schedule detailing unsecured claims received to date is attached to this report : appendix 2. Where the administrator's records indicate that a creditor has not yet submitted a claim, a claim form is enclosed with this report for completion and return to the administrator, together with supporting documentation.

7. Administrator's fee claim

On 9 January 2012 a letter was sent to all known creditors with information regarding the administrator's remuneration for the period 19 October 2011 (date of administration) to 22 December 2011 (date of initial meeting of creditors). No objections were received in the prescribed 14 day period and the remuneration was settled from administration funds available.

Guidance notes dealing with administrator's remuneration, SIP9, were provided with my letter of 8 December 2011 but if you wish to view the guidelines again and have misplaced the documentation, SIP9 can be accessed in full at the Meston Reid & Co insolvency website : www.scotdebt.net. A further copy of SIP9 can also be obtained by contacting this office.

8. Conclusion

Please do not hesitate to contact either Michael J M Reid or Michelle Byrne at Meston Reid & Co, 12 Carden Place, Aberdeen, AB10 1UR, telephone number: 01224 625554 or alternatively by e-mail at reidm@mestonreid.com or byrnem@mestonreid.com should you have any queries regarding the administration process.

Submitted by:

Michael J M Reid CA
Administrator
Meston Reid & Co
12 Carden Place
Aberdeen
AB10 1UR

15 May 2012

JKM PROPERTY SERVICES LIMITED - IN LIQUIDATION

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

From: 19 October 2011 (date of administrator)
To: 18 April 2012

	£	£
Receipts		
Sales invoices : net value of sales invoices issued		119,798.20
Plant, equipment and office furniture		16,330.00
Motor vehicles		30,100.00
Book debts		168,647.66
Tax refund : road tax		116.66
Employee grant monies		2,000.00
Bank interest : net		<u>26.50</u>
Total receipts		337,019.02
Payments		
<u>Cost of realisation of assets and work in progress:</u>		
Materials	2,009.22	
Direct labour : employee wages	63,292.11	
Hire of equipment	2,477.27	
Indirect labour	4,909.27	
Rent	4,717.02	
Telephone	502.80	
Professional fees : payroll expenses	815.00	
Skip hire	2,343.43	
Petty cash	4,112.61	
Vehicle running costs	426.12	
Asbestos removal	840.00	
Specialist waste removal	375.00	
Insurance of assets	2,447.78	
Other costs of asset realisation and security	<u>8,662.90</u>	
	97,930.53	
<u>Administrator's outlays</u>		
Administrator's specific bond of insurance	189.60	
Registration of appointment	15.00	
Administrator's approved remuneration: up to 22 December 2011	30,900.00	
Legal fees	974.75	
Mail re-direction	51.92	
Statutory advertising	<u>273.70</u>	
	32,404.97	
Total payments		<u>(130,335.50)</u>
Net surplus		<u>£206,683.52</u>
Represented by:		
Investment account		98,178.45
Gross value of sales invoices issued but not yet paid		130,779.04
Sundry account		(52.00)
VAT account		<u>(22,221.97)</u>
		<u>£206,683.52</u>

JKM PROPERTY SERVICES LIMITED - IN LIQUIDATION

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

From: 19 October 2011 (date of administrator)
To: 18 April 2012

JKM Property Services Limited was registered for VAT and thus VAT will be recoverable from HMRC. The above transactions are recorded exclusive of applicable VAT.

Submitted by:

Michelle Byrne

MP Michael J M Reid CA
Liquidator
Meston Reid & Co
12 Carden Place
Aberdeen AB10 1UR

15 May 2012

JKM PROPERTY SERVICES LIMITED

ADMINISTRATOR'S REPORT TO CREDITORS

MAY 2012

UNSECURED CREDITOR LIST

<u>Creditor : name/address</u>	<u>£</u>	
A & M Smith Skip Hire Limited, Stonehaven	4,488.15	*
A C Yule & Son, Forfar	2,935.20	*
Aberdeen Alarm Company Limited, Aberdeen	1,980.00	
Aberdeen Asbestos Management Limited, Aberdeen	988.80	*
Aberdeen City Council, Aberdeen	2,049.00	*
Aberdeen Diamond Drilling, Aberdeen	493.50	
Aberdeen First Aid School, Aberdeen	1,539.28	*
Aberdeen Considine, Aberdeen	222.80	
Abstaff Limited, Aberdeen	34,199.10	
ACC Aberdeen Scientific Laboratory, Aberdeen	1,329.00	
Access Platforms Aberdeen Limited, Glasgow	348.00	
Access Plus (Scotland) Ltd	1,206.00	*
Adam Cleaning & Maintenance Limited, Inch	1,920.00	*
ADT Fire & Security, Middlesex	458.47	*
AKW Medicare Limited, Droitwich Spa	1,236.72	*
AMC Alarms, Aberdeen	461.82	*
Anderson Specialist Contracting Limited, Forfar	6,544.00	*
Annaroe Supplies Limited, Aberdeen	53.93	
Aqua Power Services Limited, Aberdeen	648.05	
Archibald Campbell & Harley, Edinburgh	1,877.32	
Arco Limited, Hull	163.30	*
Argyll Scaffolding Limited, Peterhead	4,160.40	
Arms - Asbestos, Aberdeen	288.00	
Arval PHH Business Solutions Limited, Swindon	6,912.08	*
Ascot Doors Limited, Bolton	1,039.20	
Auto Windscreens Limited, Chesterfield	305.66	
AVC Media Enterprises Ltd, Aberdeen	156.00	
Bell Decorating Group Limited, Airdrie	22,113.43	*
Block - Aid Drain Cleaning Limited, Carnoustie	1,641.60	
BOC Limited, Manchester	160.92	
Brandon Hire Limited, Bristol	4,917.21	*
Brian Dall	370.00	
Briggs Amasco Limited, Aberdeen	3,357.49	*
BSS Group, Leicester	4,251.84	*
Burton Roofing, Brechin	618.79	*
Business Stream, Edinburgh	475.98	
C & W Contractors Limited, Inverurie	800.00	
C A Kelly, Fraserburgh	1,340.00	*
C A S Duncan, Aberdeen	26.40	
C K Davie Limited, Aberdeen	217.23	*
Ross Caie, Aberdeen	99.00	*
Cairn Contracts (Aberdeen) Limited, Aberdeen	672.75	
Calor Gas Limited, Warwick	114.67	*
Cammach Group Limited, Aberdeen	9,278.92	
Camstruction Limited, Aberdeen	3,648.96	
Canon (UK) Limited, Surrey	1,794.11	
carry forward	133,903.08	

JKM PROPERTY SERVICES LIMITED

ADMINISTRATOR'S REPORT TO CREDITORS

MAY 2012

UNSECURED CREDITOR LIST

	brought forward	133,903.08	
<u>Creditor : name/address</u>			
Carrols Digital & Satellite Solutions Limited, Aberdeen	106.00	*	
Ceramic Tile Distributors, Huddersfield	891.37	*	
Chillforce Limited, Dundee	415.00		
CITB, Norfolk	5,040.00	*	
City Blinds, Aberdeen	2,620.00		
City Electrical Factors Limited, York	7,272.42	*	
City Plumbing Supplies, Northampton	147.82	*	
CLAN, Aberdeen	500.00	*	
Clark & Rose Limited, Aberdeen	1,950.07	*	
Colin Forbes, Inverurie	9,899.58	*	
Combustion Services, Aberdeen	860.98	*	
Contract Solutions Grampian Limited, Aberdeen	2,476.35	*	
Cosalt Offshore, Grimsby	633.62		
CPC Chemdry, Aberdeen	192.00		
Craigendarroch Investments Limited, Aberdeen	2,400.00		
Crawford and Company Adjusters Limited, Croydon	1,373.99		
Creditsafe, Mid Glamorgan	324.06		
Creditreform (UK) Limited, Birmingham	225.00		
David Sim Plumbing & Heating, Dundee	724.05		
Deebridge Electrical, Aberdeen	667.17		
Direct Recovery Solutions, Preston	792.83		
Drain Devils (Grampian), Aberdeen	360.00		
Drain Surgeon, Aberdeen	2,654.21		
Dundee City Council, Dundee	97.20	*	
Dundee Plant Company Limited, Dundee	7,764.00		
DWF LLP, Leeds	335.47		
E Watson & Son Haulage & Plant Limited, Middlesex	2,650.50		
Eastwell, Ashford	4,680.04		
Easy Tools Sales Limited, Aberdeen	100.00		
Eden Springs UK Limited, Blantyre	569.39		
Edmundson Electrical Limited, Kirkintilloch	2,924.31	*	
Elliot Hire, Peterborough	1,109.52	*	
Emco Services Limited, Aberdeen	1,339.15	*	
Enterprise North East, Aberdeen	640.44		
Envirogreen Limited, Slough	474.00		
ESK Glazing Limited, Montrose	2,639.85	*	
Ethos Environmental, Edinburgh	205.63		
Eurocell Business Plastics Limited, Derbyshire	61.57		
Ferrier Pumps Limited, Aberdeen	3,331.88		
First Data Global Leasing, Basildon	50.28		
First Data Merchant Solutions, Essex	3,555.41		
Folding Sliding Door Installations Limited, Bradford	143.75		
Frank Murray, Arbroath	208.00		
Garioch Glazing Limited, Oldmeldrum	549.62	*	
George McBain & Co, Aberdeen	60.00		
	carry forward	209,919.61	

JKM PROPERTY SERVICES LIMITED

ADMINISTRATOR'S REPORT TO CREDITORS

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UNSECURED CREDITOR LIST

	brought forward	209,919.61	
<u>Creditor : name/address</u>			
George Donald (Warehouseman) Limited, Peterhead		425.65	
Gibb Tools, Aberdeen		565.47	*
Gold Star Services, Aberdeen		700.31	
Grafton Merchanting GB Limited, Falkirk		1,343.92	*
Grampian Blinds, Aberdeen		3,189.31	*
Grampian Construction Training Group, Inverness		60.00	
Grampian Property Care Limited, Aberdeen		13,447.33	*
Grampian Scaffolding Limited, Aberdeen		18,227.00	*
Granite City Motors, Aberdeen		4,887.89	*
Grant & Anderson Limited, Aberlour		180.00	*
H & K Joinery Manufacturing Limited, Edinburgh		484.73	
H M Revenue & Customs, Glasgow (VAT)		274,843.84	*
H M Revenue & Customs, Worthing (PAYE)		581,573.84	*
Hall Morrice, Aberdeen		1,170.00	
Heat Connection, Aberdeen		13,419.92	*
Hire Station Limited, Nottingham		268.22	*
Holland House Electrical Company Limited, Glasgow		1,931.86	
Household Domestics, Aberdeen		13.80	
Howdens Joinery Limited, Aberdeen		25,256.19	*
HSS Hire Shops, Surrey		31.83	
Hunter Construction Limited, Aberdeen		2,333.55	
Hutcheon Services Limited, Aberdeen		4,151.83	*
HVAC & Refrigeration, Aberdeen		96.19	*
Initial Washroom Supplies, Dudley		55.10	
Isleburn Limited, Evanton		266.94	
J F Ceilings (Scotland) Limited, Dundee		513.33	
J G Martin Plant Hire Limited, Motherwell		475.46	*
J R Donald & Son Limited, Inverurie		7,484.28	
Jaguar, Aberdeen		639.36	
James Milne Plumbing & Heating Services, Montrose		569.87	*
Jewson Limited, Aberdeen		897.17	
JNC Construction Solutions, Birmingham		2,070.00	
John Blair Plasterer & Tiler, Aberdeen		1,100.00	*
C A Kelly, Fraserburgh		1,340.00	*
Kone Doors, Keighley		1,080.00	
Laing Traditional Masonry Limited, Sauchen		18.00	
Light – Fab Engineering Limited, Newmachar		1,176.00	
Lints Recruitment Limited, Aberdeen		1,566.00	*
Lombard Vehicle Management Limited, Solihull		1,413.56	
Lumsden Security, Aberdeen		1,963.20	*
Magnet Limited, West Yorkshire		610.01	
Maritime Scaffold Limited, Aberdeen		4,099.20	*
Mr Allan C McDougall, Aberdeen		1,014.96	*
Neopost Limited, Sheffield		93.65	*
NHS Grampian, Aberdeen		720.00	
	carry forward	1,187,688.38	

JKM PROPERTY SERVICES LIMITED

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UNSECURED CREDITOR LIST

	brought forward	1,187,688.38	
<u>Creditor : name/address</u>			
Nu-Style Products Limited, Aberdeen		1,024.08	*
O2 (UK) Limited, Arlington		2,817.20	*
Oldmill Motors (Aberdeen) Limited- in liquidation, Aberdeen		6,142.67	*
Mary Ogilvie, Aberdeen		1,953.00	*
Omega Red Group Limited, Nottingham		278.40	
Otis, Leicester		1,163.47	
Oval Insurance Brokers, Aberdeen		439.82	
P W Hutchison (Painters), Dundee		19,692.52	*
Palmaris Plant Hire Limited, Portlethen		302.40	*
Paul Hentze Limited, Aberdeen		799.00	
Pest Protection Services (Scotland) Limited, Paisley		295.80	
Peterhead Slating Limited, Peterhead		940.00	
PHS Group Limited, Caerphilly		283.99	
PISYS Digital Limited, Swansea		4,074.90	*
Plumbase, Glasgow		95.52	
Plumbing Trade Supplies, Aberdeen		4,286.28	
Premium Credit Limited, Epsom		4,603.05	*
QBE Insurance (Europe) Limited, Essex		4,042.49	
R & G Ironside, Inverurie		294.00	
R B Farquhar (Hires) Limited, Peterborough		1,538.15	
R K Services (Montrose) Limited, Montrose		226.27	
Rae Joinery, Ellon		578.40	*
Rainbow City Taxis, Aberdeen		370.20	
Remploy, Aberdeen		1,274.40	*
Rhino Creative Limited, Aberdeen		3,669.25	
Richard Irvin, Aberdeen		674.40	
RIM Fabrications, Inverurie		175.62	*
Ringmaster ICT, Newcastle-upon-Tyne		1,065.00	*
Robert Burness, Montrose		2,181.00	*
Roof-Fix Supplies Limited		20.24	
S K (Sales) Limited, Norwich		15.40	
Safe Access (Highland) Limited, Inverness		1,776.00	
Safety Scotland, Aberdeen		1,321.88	
Satrosphere Limited, Aberdeen		11,000.00	*
Scottish Water, Edinburgh		792.83	
Select, Midlothian		255.35	*
Sidey Limited, Perth		18.41	
Siebert, Glasgow		1,088.64	*
Sig Trading Limited, St Ives		2,652.37	*
Sig Trading Limited, St Ives		589.30	*
Sign Designs (Aberdeen) Limited, Aberdeen		823.20	
Simpson & Marwick, Aberdeen		886.17	
Sitex Orbis, Uxbridge		36.00	
Solaglas Limited, Coventry		87.01	*
Space Solutions, Aberdeen		593.09	
	carry forward	1,274,925.55	

JKM PROPERTY SERVICES LIMITED

ADMINISTRATOR'S REPORT TO CREDITORS

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UNSECURED CREDITOR LIST

	brought forward	1,274,925.55	
<u>Creditor : name/address</u>			
Speedy Asset Services Limited, Newton-le-Willows		1,877.32	*
Springfield Catering Direct Limited, West Midlands		7,548.00	*
Steven Reid Joinery Limited- in administration, Balmedie		1,722.00	*
The BSS Group Limited, Leicester		4,251.84	*
The Royal Bank of Scotland, Feltham		42.12	
Thistle Cleaning Services Limited, Aberdeen		234.00	
Tinto Architects, Aberdeen		2,202.00	
Trilight Limited, Aberdeen		436.20	
Tyreservices Aberdeen, Aberdeen		1,419.60	*
UK Plant & Diamond Drilling, Fraserburgh		288.00	*
Wallace Whittle Limited, Aberdeen		600.00	
Ward Haddaway Solicitors, Newcastle upon Tyne		1,877.32	
Watson Alarms, Ellon		112.80	
Willis Limited, Dundee		37,908.24	
Wolseley UK, Sheffield		35,090.04	*
Wood Floor Centre, Aberdeen		510.66	*
Work & Corporate Wear Solutions, Aberdeen		728.50	
Wrights Associates, Aberdeen		1,007.50	*
Eric Young, Dundee		21,645.89	*
	Total	<u>£1,394,427.58</u>	

*denotes claim received on prescribed form along with supporting documentation.

Former employees were advised to submit the relevant forms to the Redundancy Payments Office in respect of unpaid entitlements. The claim from the Insolvency Service in relation to these payments is awaited and any employees are invited to submit a claim for any unsecured balance.