

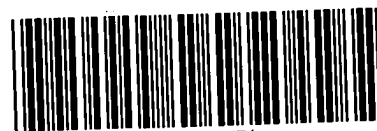
AM10 (Scot)

Notice of administrator's progress report



Companies House

TUESDAY



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SCT

16/02/2021

#130

COMPANIES HOUSE

1 Company details

Company number S C 3 4 4 2 9 4

Company name in full Deveron Construction Limited

→ Filing in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Geoffrey Isaac

Surname Jacobs

3 Administrator's address

Building name/number 1 Marischal Square

Street Broad Street

Post town Aberdeen

County/Region

Postcode A B 1 0 1 D D

Country

4 Administrator's name ①

Full forename(s) Blair Carnegie

Surname Nimmo

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 1 Marischal Square

Street Broad Street

Post town Aberdeen

County/Region

Postcode A B 1 0 1 D D

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10 (Scot)

Notice of administrator's progress report

6

Period of progress report

From date	^d 0	^d 4	^m 0	^m 7	^y 2	^y 0	^y 2	^y 0
To date	^d 0	^d 3	^m 0	^m 1	^y 2	^y 0	^y 2	^y 1

7

Progress report

☒ I attach a copy of the progress report**8**

Sign and date

Administrator's
signature

Signature

X**X**

Signature date

^d 1	^d 2	^m 0	^m 2	^y 2	^y 0	^y 2	^y 1
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AM10 (Scot)

Notice of administrator's progress report



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 **Suzanne Hamilton**

Company name **KPMG LLP**

Address **1 Marischal Square**

Broad Street

Post town **Aberdeen**

County/Region

Postcode **A B 1 0 1 D D**

Country

DX

Telephone **Tel +44 (0) 1224 591000**



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,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh.



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 for the
period 4 July
2020 to 3
January 2021

Deveron Construction Limited
- in Administration

12 February 2021

Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 4).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+DI704F5755.html>. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 5).

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1 Executive summary

- This progress report covers the period from 4 July 2020 to 3 January 2021.
- We continue to progress the Administration in line with the strategy outlined in our Proposals and subsequent progress reports (Section 2 - Progress to date).
- All assets have now been realised (Section 2- Asset realisations).
- The Bank will not receive any distribution from its securities held. The Bank will suffer a shortfall in its overall indebtedness (Section 3 - Dividend prospects).
- There are sufficient funds to allow payment of a dividend to the preferential creditors (Section 3 - Dividend prospects).
- There will be no funds available to allow a payment of a dividend to the unsecured creditors (Section 3 - Dividend prospects).
- The administration is currently due to end on 3 July 2022.
- Please note: you should read this progress report in conjunction with our previous progress reports and proposals which were issued to the Company's creditors and can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+DI704F5755.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Geoffrey Jacobs
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our previous progress report.

2.1 Strategy and progress to date

Strategy

As noted in our last report, we do not anticipate any further asset realisations in the Administration. We are currently taking the necessary steps to bring the Administration to a formal conclusion, including finalising the costs of the Administration process, to enable us to facilitate payment of a dividend to the preferential creditors in line with the next accounting period.

2.2 Asset realisations

As noted in the attached receipts and payments account (Appendix 2), there have been no asset realisations during the period.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

Joint Administrators' fees

Payment of the Joint Administrators' fees, as previously approved by the creditors, of £90,460.84 have been settled in the period.

Legal fees

We have paid legal fees of £510.00 in the period.

3 Dividend prospects

3.1 Secured creditors

The Bank holds a bond and floating charge.

As advised in our Proposals, we understand that the principal debt due to the Bank is from Homes, however, the Company will be liable for any shortfall via cross guarantees. At the date of appointment, the total indebtedness to the Bank, taking into account the cross guarantees, was £4,013,053.00.

It should be noted that interest continues to accrue on this debt until repaid in full and other charges may also apply.

The Bank will not receive a distribution from the Company due to the level of realisations. Accordingly, the Bank will suffer a shortfall on its overall indebtedness.

3.2 Preferential creditors

We have now concluded our review of the preferential creditors' claims received which have been agreed at £15,548.20.

We will shortly be writing to all preferential creditors to formally adjudicate upon their claims and provide a period for appeal. In accordance with statute, we are required to make distributions in line with the regulatory accounting period, which ends on 3 July 2021. Based on current estimates and, subject to the final costs of the Administration process, we anticipate that preferential creditors should receive a dividend of 100p in the £. We will endeavour to facilitate the distribution shortly after 3 July 2021.

3.3 Unsecured creditors

Based on the level of asset realisations made during the Administration, there will be no funds available to allow payment a dividend to unsecured creditors.

4 Joint Administrators' remuneration, outlays and disbursements

4.1 Joint Administrators' remuneration, outlays and disbursements

Time costs

From 4 July 2020 to 3 January 2021, we have incurred time costs of £9,423.60. These represent 22.60 hours at an average rate of £416.93 per hour.

A detailed analysis of the time spent is provided at Appendix 3.

Remuneration and outlays

During the period we have drawn remuneration of £90,460.84 in line with the time costs previously approved by the creditors.

To date the Secured and Preferential creditors have approved remuneration of £161,893.05. Any future remuneration to be drawn will be subject to funds in hand.

Disbursements

During the period, we have not incurred any disbursements.

Additional information

We have attached (Appendix 3) an analysis of the time spent, the charge-out rates for each grade of staff for the period from 4 July 2020 to 3 January 2021. We have also attached our charging and disbursements policy.

5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Settling the outstanding costs of the Administration;
- Finalising the adjudication process of the preferential claims received and facilitating payment of a dividend;
- Finalising all outstanding VAT and tax matters; and
- Attending to all statutory and administrative matters to allow the Administration to be progressed to a formal conclusion.

5.2 Discharge from liability

During the administration the Bank and preferential creditors have granted approval that we be discharged from liability in respect of any actions as Joint Administrators, upon filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

5.3 Future reporting

We will provide a further progress report within six weeks of 3 July 2021 or earlier if the administration has been completed prior to that time.

Appendix 1 Statutory information

Company information

Company name	Deveron Construction Limited
Date of incorporation	12 June 2008
Company registration number	SC344294
Present registered office	KPMG LLP, 1 Marischal Square, Broad Street, Aberdeen, AB10 1DD

Administration information

Administration appointment	The administration appointment granted in Court of Session, P615 of 2018
Appointor	Directors
Date of appointment	4 July 2018
Joint Administrators' details	Geoff Jacobs and Blair Nimmo
Values of the Net Property and Prescribed Part	The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3).
Prescribed Part distribution	<p>Due to the current anticipated asset realisations, we consider it unlikely that there will be sufficient funds to allow payment of a Prescribed Part dividend.</p> <p>If funds do become available for a distribution in the Prescribed Part, the Joint Administrators may make a distribution to the unsecured creditors; or if appropriate, may apply to the Court to obtain an order that the Prescribed Part shall not apply on the grounds that the costs of making a distribution to the unsecured creditors would be disproportionate to the benefits.</p> <p>Alternatively, the Prescribed Part will be automatically disapplied if the Net Property is less than £10,000 and the costs of making a distribution would be disproportionate to the benefits.</p>
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	3 July 2022

Appendix 2 Joint Administrators' receipts and payments account

Deveron Construction Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)	From 04/07/2020 To 03/01/2021 (£)	From 04/07/2018 To 03/01/2021 (£)
ASSET REALISATIONS		
5,000.00 Plant & machinery	NIL	9,190.00
1,000.00 Furniture & equipment	NIL	NIL
Motor vehicles	NIL	4,729.17
120,000.00 Book debts	NIL	214,267.25
24,540.00 VAT refunds (pre-app'ent)	NIL	NIL
(10,349.00) Cash at bank	NIL	NIL
	NIL	228,186.42
OTHER REALISATIONS		
Bank interest, gross	NIL	1,538.18
Sundry refunds	NIL	1,297.39
	NIL	2,835.57
COST OF REALISATIONS		
Administrators' fees	(90,460.84)	(90,460.84)
Irrecoverable VAT	(92.17)	(92.17)
Agents'/Valuers' fees	NIL	(45,710.61)
Legal fees	(510.00)	(9,712.45)
Other property expenses	NIL	(15.00)
Insurance of assets	NIL	(56.45)
Bank charges	(30.09)	(50.09)
	(91,093.10)	(146,097.61)
PREFERENTIAL CREDITORS		
(10,000.00) Employees' wage arrears	NIL	NIL
	NIL	NIL
UNSECURED CREDITORS		
(1,952,110.00) Trade & expense	NIL	NIL
	NIL	NIL
(1,821,919.00)	(91,093.10)	84,924.38
REPRESENTED BY		
Floating ch. VAT rec'able		28,787.00
Floating charge current		64,143.97
Floating ch. VAT payable		(2,783.83)

Deveron Construction Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)	From 04/07/2020	From 04/07/2018
	To 03/01/2021 (£)	To 03/01/2021 (£)
Floating ch. VAT control		(5,222.76)
		84,924.38

Appendix 3 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Administrators' Remuneration Scotland" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/technical-library/scotland/technical-guidance/fees/more/29160/page/1/creditors-guide-to-administrators-remuneration-scotland/>

If you are unable to access this guide and would like a copy, please contact Suzanne Hamilton on 0122 4416895.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£) for: Deveron Construction Limited – In Administration			
Grade	From 01 Jan 2020 £/hr	From 01 Oct 2020 £/hr	From 01 Jan 2021 £/hr
Partner	690	690	690
Director	620	620	620
Senior Manager	560	560	560
Manager	467	467	467
Senior Administrator	325	325	325
Administrator	236	236	236
Support	147	147	147

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any disbursements during the period.

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

The Category 2 disbursements have not been approved.

Creditors' right to challenge our remuneration and outlays

If you wish to challenge the basis of our remuneration, the remuneration approved, or the outlays approved during the period covered by this progress report, you must do so by making an application to Court within eight weeks of the accounting period and no later than 28 February 2021 or within 14 days of receiving this progress report.

Applications by any creditor must be made with concurrence of at least 25% in value of unsecured creditors (including the creditor making the challenge).

The full text of the relevant rules can be provided on request by writing to Suzanne Hamilton at KPMG LLP, 1 Marischal Square, Broad Street, Aberdeen, AB10 1DD, United Kingdom.

Narrative of work carried out for the period 4 July 2020 to 3 January 2021

Cashiering	<ul style="list-style-type: none"> ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ drawing remuneration in accordance with the basis and amount which has been approved as determined by the secured and preferential creditors.
Statutory and compliance	<ul style="list-style-type: none"> ■ preparing statutory receipts and payments accounts; ■ obtaining approval from the Court of a 24 month extension of the administration; ■ ensuring compliance with all statutory obligations within the relevant timescales; ■ reviewing the administration strategy; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration;
Tax	<ul style="list-style-type: none"> ■ dealing with post appointment VAT compliance.
Creditors and claims	<ul style="list-style-type: none"> ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ agreeing preferential claims; ■ drafting our progress report; ■ providing written and oral updates to representatives of the Bank of Scotland plc regarding the progress of the administration and case strategy.
Investigations/ directors	<ul style="list-style-type: none"> ■ allocating incoming mail and issuing outgoing mail.

Time costs

SIP 9 – Time costs analysis (04/07/2020 to 03/01/2021)							
	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Administration & planning							
Cashiering							
Fund management	0.20				0.20	124.00	620.00
General (Cashiering)				0.30	0.20	126.90	253.80
Reconciliations (& IPS accounting reviews)				0.20		65.00	325.00
General							
Fees and WIP				1.80		585.00	325.00
Statutory and compliance							
Appointment and related formalities				1.10		357.50	325.00
Checklist & reviews	0.40			1.70		800.50	381.19
Reports to debenture holders	0.60					372.00	620.00
Tax							
Post appointment VAT				0.60		195.00	325.00

SIP 9 – Time costs analysis (04/07/2020 to 03/01/2021)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Creditors							
Creditors and claims							
General correspondence			0.40		0.40	130.00	325.00
Payment of dividends		0.70			0.70	392.00	560.00
Secured creditors		2.20	0.40		2.60	1,362.00	523.85
Statutory reports	0.40	5.30	3.00		8.70	4,182.10	480.70
Investigation							
Investigations							
Mail redirection			3.10		3.10	731.60	236.00
Total in period	1.60	8.20	17.60	0.20	22.60	9,423.60	416.97

Brought forward time (appointment date to SIP 9 period start date)	459.70	165,312.25
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	22.60	9,423.60
Carry forward time (appointment date to SIP 9 period end date)	482.30	174,735.85

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Appendix 4 Glossary

Any references in this progress report to sections, paragraphs or rules are to Sections,

Bank	Bank of Scotland plc
Company	Deveron Construction Limited - in Administration
Homes	Deveron Homes Limited – In Administration
Joint Administrators/we/our/us	Geoff Jacobs and Blair Nimmo
KPMG	KPMG LLP

Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (Scotland) Rules 1986 respectively.

Appendix 5 Notice: About this report

This report has been prepared by Geoff Jacobs and Blair Nimmo, the Joint Administrators of Deveron Construction Limited – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency (Scotland) Rules 1986 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 is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the Group.

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

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (Scotland) Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Geoffrey Isaac Jacobs and Blair Carnegie Nimmo are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

www.kpmg.com

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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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