

AM10 (Scot)

Notice of administrator's progress report



Companies House

SATURDAY



SAXPJU9F

SCT

12/02/2022

#223

COMPANIES HOUSE

1 Company details

Company number

Company name in full

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s)

Surname

3 Administrator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s)

Surname

① **Other administrator**
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

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 1
To date	^d 0	^d 3	^m 0	^m 1	^y 2	^y 0	^y 2	^y 2

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

Geoff Taylor

X

Signature date

^d 1	^d 1	^m 0	^m 2	^y 2	^y 0	^y 2	^y 2
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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	Ross Penrose
Company name	Interpath Ltd
Address	5th Floor, 130 St Vincent Street Glasgow
Post town	G2 5HF
County/Region	
Postcode	
Country	
DX	
Telephone	Tel +44 (0) 141 648 4300



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

interpath

**Joint
Administrators'
progress report
for the period 4
July 2021 to 3
January 2022
Deveron Construction Limited - in
Administration**

11 February 2022

Notice to creditors

Please note that KPMG LLP sold its Restructuring practice in the UK to Interpath Ltd ('Interpath Advisory') on 4 May 2021. This will not have an impact on your day to day dealings of the administration of the Company and your case contacts remain the same. Please note that the contact details for your primary case contacts may have changed, please check the insolvency portal at www.ia-insolv.com/case+INTERPATH+DI704F5755.html for the latest contact details.

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, www.ia-insolv.com/case+INTERPATH+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 2021 to 3 January 2022.
- ▣ We continue to progress the Administration in line with the strategy outlined in our Proposals and subsequent progress reports (Section 2 - Progress to date).
- ▣ 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).
- ▣ A payment of a dividend to the preferential creditors was made in July 2021 (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. However, this progress report supports an application to the Court of Session to consider a 12 month extension to 3 July 2023 (Section 5 – Future strategy).
- ▣ 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 www.ia-insolv.com/case+INTERPATH+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, final tax returns and clearance, and consideration will also be given to the administration of Homes, a company with cross guarantees.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

There have been no significant realisations during the period and we do not consider there to be any future realisations, with the exception of nominal bank interest.

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.

Legal fees

Legal fees of £1,505 were paid in the period for advice relating to the 2020 extension of the administration and the lodging of caveats at court.

3 Dividend prospects and dividends paid

3.1 Secured creditors

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.

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, receiving only secured creditor dividends from Homes.

3.2 Preferential creditors

The preferential claims have been agreed at £15,548.

A dividend to preferential creditors of 100p in the £ was declared on 7 July 2021 and paid during the period.

The preferential creditors have been repaid in full.

3.3 Unsecured creditors

Based on asset realisations, there will not be a dividend to unsecured creditors.

4 Joint Administrators' remuneration and expenses

Time costs

From 4 July 2021 to 3 January 2022, we have incurred time costs of £8,586.30. These represent 22.55 hours at an average rate of £380.77 per hour.

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

Administrators' Remuneration

During the period we have not drawn any remuneration.

Administrators' expenses

During the period, we have not incurred any expenses.

Additional information

We have attached (Appendix 3) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from 4 July 2021 to 3 January 2022. We have also attached our charging and expenses 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 Extension of the administration

The duration of an administration is restricted to 12 months from the date of commencement unless it is extended with the permission of creditors or the Court.

The administration is currently due to end on 3 July 2022, following approval by the secured creditor to extend initially by 12 months and the Court of Session to extend by another 24 months.

Whilst there are only a number of outstanding matters to deal with, the impact of Covid-19 on certain matters such as HMRC approval to close a case, have meant that we will request another 24 month extension from Court. The hope is this is not required, however this would save two separate applications (and associated costs) should it be. We will need to request this extension from the Court, which we intend to do so at the appropriate time.

If you object to such an extension, please write to us at Interpath Advisory, 5th Floor, 130 St Vincent Street, Glasgow, G2 5HF, United Kingdom, by no later than 5pm on 25 February 2022.

5.3 Future reporting

We intend to provide a further progress report within 6 weeks of 3 July 2022.

Appendix 1 Statutory information

Company information	
Company name	Deveron Construction Limited
Date of incorporation	12 June 2008
Company registration number	SC344294
Present registered office	Interpath Ltd, 5th Floor, 130 St Vincent Street, Glasgow, G2 5HF

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
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 04/07/2021 To 03/01/2022 (£)	From 04/07/2018 To 03/01/2022 (£)
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	1,473.39
	NIL	3,011.57
COST OF REALISATIONS		
Administrators' fees	NIL	(90,460.84)
Irrecoverable VAT	NIL	(92.17)
Agents'/Valuers' fees	NIL	(45,710.61)
Legal fees	NIL	(9,712.45)
Corporation tax	NIL	(58.52)
Consignation Fee	(35.00)	(35.00)
DWP address search	NIL	(4.26)
Other property expenses	NIL	(15.00)
Insurance of assets	NIL	(56.45)
Bank charges	NIL	(50.09)
Unclaimed dividends	(259.50)	(259.50)
	(294.50)	(146,454.89)
PREFERENTIAL CREDITORS		
PAYE income tax etc	(2,108.17)	(2,108.17)
Nat. ins. contributions	(486.15)	(486.15)
(10,000.00) Employees' wage arrears	(12,694.38)	(12,694.38)
	(15,288.70)	(15,288.70)
UNSECURED CREDITORS		
(1,952,110.00) Trade & expense	NIL	NIL
	NIL	NIL

Deveron Construction Limited - in Administration**Abstract of receipts & payments**

Statement of affairs (£)	From 04/07/2021 To 03/01/2022 (£)	From 04/07/2018 To 03/01/2022 (£)
(1,821,919.00)	(15,583.20)	69,454.40
REPRESENTED BY		
Floating ch. VAT rec'able		28,787.00
Floating charge current		48,673.99
Floating ch. VAT payable		(2,783.83)
Floating ch. VAT control		(5,222.76)
		69,454.40

Appendix 3 Joint Administrators' charging and expenses 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 in-house Interpath Advisory tax, VAT and employee 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.icas.com/__data/assets/pdf_file/0020/573221/SIP-9-Scot-April-2021.pdf

If you are unable to access this guide and would like a copy, please contact Ross Penrose on 0131 385 7924.

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: Construction		
Grade	From 01 Jan 2021 £/hr	From 01 Jan 2022 £/hr
Partner	690	725
Director	620	675
Senior Manager	560	590
Manager	467	495
Senior Administrator	325	345
Administrator	236	245
Support	147	345

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 expenses

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

Expenses: These are any payments which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. 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 expenses: These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Associates: are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm.

Category 2 expenses charged by Interpath Advisory 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 Interpath passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any expenses during the period.

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

The Category 2 expenses have not been approved.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration approved, or the expenses 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 25 February 2022 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 Ross Penrose at Interpath Advisory, 5th Floor, 130 St Vincent Street, Glasgow G2 5HF, United Kingdom.

Narrative of work carried out for the period 4 July 2021 to 3 January 2022

The key areas of work have been:

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; and■ 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.
Statutory and compliance	<ul style="list-style-type: none">■ preparing statutory receipts and payments accounts;■ reviewing bonding and complying with statutory requirements;■ dealing with all closure related formalities;■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none">■ case management and reviewing of progress, including team update meetings and calls;■ reviewing and authorising junior staff correspondence and other work;■ dealing with queries arising during the appointment;■ reviewing matters affecting the outcome of the administration;■ allocating and managing staff/case resourcing and budgeting exercises and reviews;■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters;■ complying with internal filing and information recording practices, including documenting strategy decisions.
Tax	<ul style="list-style-type: none">■ drafting, reviewing and submitting tax returns relating to the periods affected by the administration;■ analysing VAT related transactions;■ reviewing the Company's duty position to ensure compliance with duty requirements;■ dealing with post appointment tax compliance.
Reports to secured creditors	<ul style="list-style-type: none">■ providing written and oral updates to representatives of the Bank regarding the progress of the administration and case strategy.
Creditors and claims	<ul style="list-style-type: none">■ updating the list of unsecured creditors;■ responding to enquiries from creditors regarding the administration and submission of their claims;■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;■ declaration and distribution of preferential claims;■ drafting our progress report.
Employees	<ul style="list-style-type: none">■ dealing with queries from employees regarding various matters relating to the administration and their employment.
Investigations/ Directors	<ul style="list-style-type: none">■ arranging for the redirection of the Company's mail.
Freehold property	<ul style="list-style-type: none">■ Reviewing legacy property transactions to ensure no freehold assets held by Company

Time costs

SIP 9 – Time costs analysis (04/07/2021 to 03/01/2022)

	Hours				Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support		
Administration & planning						
Cashiering						
Fund management		0.20			0.20	112.00
General (Cashiering)			0.40		0.40	130.00
Reconciliations (& IPS accounting reviews)		0.10	1.20		1.30	446.00
General						
Fees and WIP			0.20		0.20	65.00
Statutory and compliance						
Checklist & reviews	0.40	1.20	0.70		2.30	1,175.50
Tax						
Post appointment corporation tax			1.40		1.40	455.00
Post appointment VAT			0.60		0.60	168.30
Creditors						
Creditors and claims						
Agreement of preferential claims		0.20			0.20	93.40
General correspondence			0.60		0.60	177.20
Payment of dividends	0.30	0.60	5.10		6.00	2,144.70
Statutory reports	0.75		3.80		4.55	1,752.50
Employees						
Correspondence		3.10			3.10	1,447.70
Investigation						
Investigations						
Mail redirection			1.50		1.50	354.00
Realisation of assets						
Asset Realisation						
Freehold property			0.20		0.20	65.00
Total in period	1.45	5.40	15.70	0.00	22.55	8,586.30

Brought forward time (appointment date to SIP 9 period start date) 530.80 194,264.55

SIP 9 – Time costs analysis (04/07/2021 to 03/01/2022)				
	Hours			
	Partner / Director	Manager	Administrator	Support Total
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)				22.55
Carry forward time (appointment date to SIP 9 period end date)				553.35
				8,586.30
				202,850.85

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

Bank . Secured Creditor	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
Interpath/Interpath Advisory	Interpath Ltd
KPMG	KPMG LLP

Any references in this progress report to sections, paragraphs or rules are to Sections, 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 – www.interpathadvisory.com/privacy-insolvency.

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, Interpath Ltd 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.interpathadvisory.com

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