

### The Insolvency Act 1986 Administrator's progress report

Name of Company
Building Hire and Leasing Limited

Company number
00687831

In the High Court of Justice, Chancery Division, Companies Court
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Court case number
5647 of 2012

(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)  
 Stephen Powell  
 hjs Recovery  
 12/14 Carlton Place  
 Southampton  
 SO15 2EA

Gordon Johnston  
 hjs Recovery  
 12/14 Carlton Place  
 Southampton  
 SO15 2EA

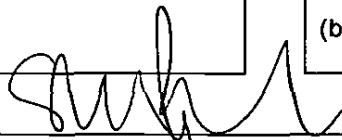
administrator(s) of the above company attach a progress report for the period

(b) Insert date

From
(b) 22 February 2013

To
(b) 29 July 2013

Signed

  
 Joint / Administrator(s)

Dated

19 August 2013

#### 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

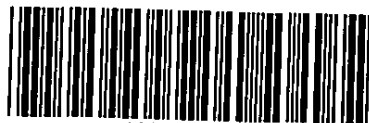
The contact information that you give will be visible to searchers of the public record

Stephen Powell  
 hjs Recovery  
 12/14 Carlton Place  
 Southampton  
 SO15 2EA

DX Number

023 8023 4222  
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -  
**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**



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**Joint Administrators'  
Progress Report**

**For the period  
22 February 2013 to 29 July  
2013**

**Building Hire and Leasing  
Limited**

**- In Administration**

**29 July 2013**

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## **Building Hire and Leasing Limited - In Administration**

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### **APPENDICES**

- A Receipts and Payments Account for the period from 22 February 2013 to 29 July 2013 and cumulative Receipts and Payments Account for period from 22 August 2012 to 29 July 2013
- B Time Analysis for the period 22 February 2013 to 29 July 2013
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**THE JOINT ADMINISTRATORS' PROGRESS REPORT**

**1 Statutory information**

- 1 1 I, together with my colleague Gordon Johnston, was appointed as Joint Administrator of the Company on 22 August 2012. The Administration Order was made in the High Court of Justice, Chancery Division, Companies Court.
- 1 2 This Administration is being handled by HJS Recovery at 12-14 Carlton Place, Southampton SO15 2EA. The Administration is registered in the High Court of Justice, reference number 5647 of 2012.
- 1 3 The trading address of the Company is Bond Avenue, Bletchley, Milton Keynes, MK1 1JJ. The business trades under the name Terrapin.
- 1 4 The registered office of the Company is C/o HJS Recovery, 12-14 Carlton Place, Southampton, Hampshire, SO15 2EA and its registered number is 00687831.

**2 Progress of the Administration**

- 2 1 Attached at Appendix A is my Receipts and Payments Account for the period from 22 February 2013 to 29 July 2013 and a cumulative Receipts and Payments Account for the period from 22 February 2013 to 29 July 2013.
- 2 2 This progress report should be read in conjunction with my proposals dated 11 October 2012 and progress report dated 19 March 2013.

**Plant and Machinery, Vehicles, Stock, Rental Fleet, Rental Income and Intangible Assets**

- 2 3 The Company's assets such as plant and machinery, stock, hire fleet and client rental contracts (the assets) appeared to have been transferred out of the business prior to the Administration.
- 2 4 As previously reported, following their appointment, the Administrators received a copy of a sale agreement apparently made between the Company and Dale Acquisitions Limited dated 25 November 2011. In addition to the Asset Purchase Agreement contracts relating to the transfer of the Company's IP and Goodwill to Dale Acquisitions Limited were also produced. As previously disclosed, these documents were not provided to the Administrators, or the court making the Administration Order before the Company went into Administration.

## **Building Hire and Leasing Limited - In Administration**

- 2 5 The Administrators have reviewed this transaction in which the purchaser purported to assume liabilities in relation to the dismantling of the hire fleet and a perceived liability in respect of deferred income in exchange for the assets rather than a physical consideration in line with the valuation
- 2 6 Consequently, the Administrators challenged the transaction considering one liability is contingent rather than actual and to date there has been no evidence seen that the purchaser has suffered any loss in relation to the dismantling provision
- 2 7 As previously advised, Coffin Mew solicitors have been communicating with the solicitor acting for Dale Acquisitions Limited. The matter remains on-going but is unlikely to progress further without funding
- 2 8 As previously reported, the Administrators were contacted by a number of clients who rent Terrapin units
- 2 9 Discussions have been held with the lessees, their representatives and solicitors acting for Dale Acquisitions Limited in the period since my last report. However, no recoveries have been possible
- 2 10 The Administrators have been advised to make an application to court to progress the matter but in the absence of funds from the estate or creditors, this has been unable to be progressed

### **Book Debts and Retentions**

- 2 11 As previously advised, prior to their appointment the Joint Administrators engaged Leslie Keats a specialist firm of Quantity Surveyors working within the insolvency arena to review a number of the files provided by the Company to assess whether any net recovery after costs would be possible
- 2 12 In collaboration with the Administrators, Owen Lewington of Leslie Keats (QS) has reviewed files relating to the Company's book debts and retentions both provided by the Company and collected from the Company's premises following their appointment. Unfortunately, in some cases the collection process has been hampered by incomplete or poor records
- 2 13 During the period, Mr Lewington and the Administrators have been in communication with the retention debtors. During the period a retention in the sum of £628 has been recovered
- 2 14 Our QS advised that as the Company could not be rescued, the level of was likely to be significantly lower than originally anticipated due to counter claims and disputes. This has proved to be the case

## **Building Hire and Leasing Limited - In Administration**

2 15 It had been hoped that a recovery would be possible in respect of debts owed by the London Borough of Hillingdon but as a consequence of inter contract set off, defects and erosion caused by a discount agreed (but not disclosed) by the Company prior to the administration

### **3 Assets still to be realised**

3 1 Creditors will recall that the Company issued a claim against Kier Construction Limited (KC) with a book value of £635,535 which was valued by the QS at £230,000 assuming a trading administration

3 2 A significant amount of the Company's claim against KC in respect of compensation and delays were rejected by the adjudicator and cannot be resubmitted for adjudication

3 3 Whilst this decision can be taken to appeal, for the sake of prudence it has been assumed that these rejected claims will not be appealed

3 4 The Company issued an invoice in the sum of £209,581 including VAT to Kier Construction Limited representing part of this claim which was subject to a successful adjudication prior to the Administration

3 5 Following communication with KC the debtor has disputed liability and requests for a meeting have been unsuccessful Mr Lewington has advised that the matter cannot be progressed without legal intervention which has not been possible due to lack of funds. The Administrators are in the process of investigating the possibility of engaging solicitors on a CFA basis

3 6 In the absence of resources, the balance of the claim in the sum of £170,000 against KC which would be subject to a further adjudication has not been progressed

3 7 At appointment a debt existed due from Goldington College in the sum of £21,060 Communication has been on-going, the debtor has advised of defects and the likely level of recovery will only be known once the maintenance period expires in September 2013

3 8 In addition, it was anticipated that there was a contract requirement in relation to works for Sisk However, no response has been received from the debtor and the contracts records are poor Accordingly, whilst the account has not been written off, no recovery is anticipated

3 9 A recovery is anticipated from Guernsey Prison pending confirmation of costs which is expected shortly

## **Building Hire and Leasing Limited - In Administration**

3 10 Following the Administrators' initial investigations into the Company's affairs and review of the Company's records retrieved from the premises, a number of areas have been identified where it is anticipated that recoveries may be possible

3 11 It is the Administrators' view that these claims will be better pursued by a Liquidator as per paragraph 4

### **4 Investigations**

4 1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS) As this is a confidential report, I am not able to disclose the contents

4 2 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate This assessment took into account information provided by creditors either at the initial meeting (where held) or as a response to my request to complete an investigation questionnaire

4 3 My investigations revealed the following issues namely transfer of assets at undervalue, preference payments and trading whilst insolvent By way of an example, the Administrators have identified transactions totalling £245,000 but which did not appear to represent purchases on behalf of the Company

4 4 As a consequence, solicitors were instructed to advise of the likelihood of recovery These matters are still on-going but as per the attached Receipts and Payments Account there are currently insufficient resources to fund an investigation or take steps to place the Company into Compulsory Liquidation to pursue these claims

4 5 As previously reported, the three largest unsecured creditors were approached to provide funding but this proved unsuccessful

4 6 As per Statement of Insolvency Practice 2 (SIP2) we are obliged to provide information to creditors to enable them to consider whether they wish to fund an investigation, the outcome of which could potentially result in further recoveries and by extension, potential dividends to creditors

4 7 Since my last report discussions have been held with creditors regarding the funding of the conversion to Compulsory Liquidation, however, no funds have been received to date.

4 8 Accordingly, I am making a further request that creditors consider funding the initial costs of pursuing this action anticipated to be in the region of £5,000 I should be grateful if creditors

## Building Hire and Leasing Limited - In Administration

would contact me to confirm whether, without commitment as to amount, they are willing to support my request

### 5 Administrators' Remuneration

5.1 The Creditors approved that the basis of the Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Administration

5.2 My time costs for the period from the date of the last progress report are £6,592.92. This represents 41.23 at an average rate of £159.91 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Administration. To date, no funds or disbursements have been paid in relation to these costs.

5.3 I have incurred, paid but not recovered Category 1 and Category 2 disbursements as follows

Charged by	Category	Brief description of services provided	Total amount charged (£)	Amount Paid (£)	Who by
AUA Insolvency Risk Services Ltd	Category 1	Bond Fee	480.00	480.00	HJS Recovery
Legal and Public Notices	Category 1	Statutory Advertising	507.00	507.00	HJS Recovery
HJS Recovery	Category 2	Travel Disbursements	681.00	681.00	HJS Recovery

5.4 The following activities have been undertaken

#### Administration and Planning

- Statutory duties associated with the appointment including the filing of relevant notices,
- Notification of the appointment to creditors, members, employees and other interested parties,
- Setting up case files, reviewing available information to determine appropriate strategy,
- Setting up and maintaining bank accounts,
- Drafting of Joint Administrators' proposals and progress reports

#### Investigations

Under Insolvency legislation the Joint Administrators have a duty to consider and report to the Department for Business, Innovation and Skills on the conduct of those persons who were a director or a shadow director in the three years prior to the administration

In order to comply with this requirement the time spent in this category relates to



## **Building Hire and Leasing Limited - In Administration**

- Recovery and schedule of the company's books and statutory records,
- Investigating any matters brought to the Joint Administrators' attention by creditors,
- Meetings with creditors,
- Review of records and investigating antecedent transactions,
- Liaising with the Insolvency Service

### **Realisation of Assets**

Please refer to section 2 and 3 of this report. In addition, time spent dealing with retention of title claims and matters relating to the premises

### **Creditors**

The time spent in dealing with creditors includes the following matters

- Recording and maintaining the list of creditors,
- Dealing with ex-employee related matters,
- Recording creditor claims,
- Reporting to creditors,
- Dealing with individual creditor queries,
- Reviewing and evaluating creditor claims and providing responses

### **Tax Reviews**

A review of the Company's tax position to identify any potential assets

Staff of different levels were involved in the above activities depending upon the experience required

- 5 5 Also attached as Appendix C is a cumulative Time Analysis for the period from 22 August 2012 to 29 July 2013 which provides details of my time costs since appointment
- 5 6 Attached as Appendix D is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade

## Building Hire and Leasing Limited - In Administration

### 6 Administrators' Expenses

- 6 1 The following expenses have been incurred since my appointment as Joint Administrator  
Please note that the £6,405 65 incurred by Leslie Keats listed in my earlier progress report included £800 pre-appointment time

Supplier / Service Provider	Nature of expense incurred	Amount incurred to date £	Paid to date £	Amount outstanding £
Asset Recovery & Insolvency LLP	Valuation & sale of the Company's assets and recovery of books and records	2,800 00	Nil	2,800 00
Leslie Keats	Review of the Company's debtors and retentions and assistance and advice in connection with these debts and communication with debtors	5,955 65	Nil	5,955 65
Coffin Mew LLP	General legal advice regarding premises, correspondence with solicitor acting for Dale Acquisitions Ltd, advice regarding antecedent transactions, retention of title, communication with lessees and representatives	17,580	Nil	17,580
JLT	Insurance	289 38	Nil	289 38

### 7 Estimated outcome for creditors

#### *Secured Creditors*

- 7 1 Investec Asset Finance Plc (Investec) holds a fixed charge dated 10 March 2010 Under the charge the Company assigned receivables due to it under a hire contract The outstanding rental due at the date of appointment is estimated to be £128,362.
- 7 2 Currently the end user makes payments under the original hire contract directly to Investec following assignment of the rental stream
- 7 3 It is likely that following the assignment of the receivables due to Investec under their charge dated 10 March 2010 the liability due to the charge holder will be mitigated
- 7 4 No claim has been received from this creditor

#### *Preferential Creditors*

- 7 5 It is the Administrators' belief that there are no preferential creditors or unsecured employee claims following their transfer along with the business to another entity prior to the Administration Claims have been received from some former employees which have been forwarded to the Redundancy Payments Office for their consideration

## **Building Hire and Leasing Limited - In Administration**

### *Unsecured Creditors*

- 7 6 I have received claims totalling £2,250,973 from 114 creditors I have yet to receive claims from 48 creditors (excluding employees) whose debts total £724,496 as per the Directors' statement of affairs
- 7 7 It is unclear at this time whether on-going activities will result in recoveries which may enable a distribution to creditors in this matter

## **8 Ending the Administration**

- 8 1 The Joint Administrators are continuing to investigate the Company's affairs and the conduct of its former management The Joint Administrators are seeking a short (six months at most) extension to the administration for that purpose
- 8 2 Should it be appropriate to do so, the Joint Administrators will rely on their present authorisation from creditors to convert the administration into a liquidation (voluntary or compulsory)
- 8 3 The Joint Administrators are also seeking authorisation for an alternative, to end the administration and strike off the company, if that should be appropriate
- 8 4 As per my letter to creditors, in order to signify your approval would you please complete Form 2 25B which is available for you to view and download from the website The completed forms must be returned to me by noon on 16 August 2013
- 8 5 The Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect

## **Building Hire and Leasing Limited - In Administration**

### **9 Creditors' rights**

9.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report

9.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrators, as set out in this progress report, are excessive

### **10 Next report**

10.1 The Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised

For and on behalf of  
Building Hire and Leasing Limited



**Stephen Powell FCCA MABRP**  
Joint Administrator

**Building Hire and Leasing Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 22/02/2013 To 29/07/2013	From 22/08/2012 To 29/07/2013
	<b>ASSET REALISATIONS</b>		
Uncertain	Claim against Supplier	NIL	NIL
10,000 00	Work in Progress	NIL	NIL
245,000 00	Book Debts	NIL	NIL
30,000 00	Retentions	628 98	628 98
	Bank Interest Gross	0 06	0 18
		<u>629 04</u>	<u>629 16</u>
	<b>PREFERENTIAL CREDITORS</b>		
(40,714 98)	DE Arrears & Holiday Pay	NIL	NIL
(9,975 66)	Employee Arrears/Hol Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>UNSECURED CREDITORS</b>		
(810,266 05)	Trade & Expense Creditors	NIL	NIL
(7,410 77)	Employees Claims	NIL	NIL
(140,811 65)	Department of Employment	NIL	NIL
(188,605 05)	Disputed Trade and Expense Creditors	NIL	NIL
(72,937 46)	HM Revenue and Customs PAYE	NIL	NIL
(154,000 00)	Empty Lemon Limited Loan	NIL	NIL
(79,868 53)	HM Revenue and Customs VAT	NIL	NIL
(15,302 08)	Pensions	NIL	NIL
(32,664 93)	Ray Philpin - Director's Loan	NIL	NIL
(393,250 12)	Dale Acquisitions Limited Loan	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(16,384 00)	Highland Garden Services North Ltd L	NIL	NIL
(195,364 67)	Historic Supplier Retentions	NIL	NIL
(1 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(1,872,556.95)</b>		<b><u>629.04</u></b>	<b><u>629.16</u></b>
	<b>REPRESENTED BY</b>		
	Bank 1 Current		723 51
	Vat Payable		(125 80)
	CIS Tax Payable		31 45
			<u>629.16</u>

## Building Hire and Leasing Limited (in Administration)

Time Analysis for the period from 22 February 2013 to 29 July 2013

SIP9 Category	Insolvency Practitioner	Snr Manager / Manager	Supervisor	Assistant & Support Staff	Total Hours	Charge	Avg Rate
Administration and planning	1 00	0 00	16 30	7 13	24 43	£3 754 92	£153 70
Investigations	0 00	0 00	5 70	0 00	5 70	£997 50	£175 00
Realisation of assets	0 00	0 00	5 40	0 00	5 40	£945 00	£175 00
Creditors	0 00	0 00	4 50	1 08	5 58	£885 00	£158 60
Tax Reviews	0 00	0 00	0 00	0 12	0 12	£10 50	£87 50
<b>TOTALS</b>	<b>1 00</b>	<b>0 00</b>	<b>31 90</b>	<b>8 33</b>	<b>41 23</b>	<b>£6,692.92</b>	<b>£169 91</b>

Current Chargeout Rates	£360	£200-£275	£150-£175	£50-£125	£50-£125		
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**Building Hire and Leasing Limited (in Administration)**

Time Analysis for the period from 22 August 2012 to 29 July 2013

SIP9 Category	Insolvency Practitioner	Snr Manager / Manager	Supervisor	Assistant & Support Staff	Total Hours	Charge	Avg Rate
Administration and planning	29 50	0 00	50 30	73 53	153 33	£24,971 17	£162 86
Investigations	8 50	0 00	42 15	7 25	57 90	£11,020 00	£190 33
Realisation of assets	13 00	0 00	29 05	1 16	43 21	£9,723 75	£225 03
Creditors	11 00	0 00	55 73	41 50	108 23	£16,973 33	£156 83
Tax Reviews	0 00	0 00	0 00	1 12	1 12	£126 75	£113 17
<b>TOTALS</b>	<b>62 00</b>	<b>0 00</b>	<b>177 23</b>	<b>124 56</b>	<b>363 79</b>	<b>£62,815 00</b>	<b>£172 67</b>

Current Chargeout Rates	£350	£200-£275	£150-£175	£50-£125	£50-£125		
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**Additional Information in Relation to Administrators' Fees Pursuant to Statement of Insolvency Practice 9**

**1 Policy**

Detailed below is hjs Recovery's policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements

**1.1 Staff Allocation and the use of Sub-contractors**

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We have not utilised the services of any sub-contractors in this case.

**1.2 Professional Advisors**

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

<b>Name of Professional Advisor</b>	<b>Basis of Fee Arrangement</b>
Coffin Mew LLP (legal advice)	Hourly rate and disbursements
Leslie Keats (QS, advice re retentions and claims)	Hourly rate and disbursements
Asset Recovery and Insolvency LLP (valuation and disposal advice)	Hourly rate and disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.



## **Building Hire and Leasing Limited - In Administration**

### **1.3 Disbursements**

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

It is the current policy of HJS Recovery not to charge any category 2 disbursements other than mileage as above.

## **2 Charge-out Rates**

A schedule of our charge-out rates for this assignment effective from 1 May 2011 is detailed below.

	<b>£</b>
• Insolvency Practitioners	350
• Senior Managers & Managers	200 - 275
• Supervisors	50 - 175
• Administrators and Support Staff	50 - 125

Specialist departments within HJS accountants, such as Tax, VAT and Pensions, do sometimes charge a small number of hours to an assignment, should the Insolvency Partners require their expert advice. Their rates do vary, however, the figures given below provide an indication of the rates charged per hour.

	<b>£</b>
• Directors	110 - 175
• Senior Managers & Managers	82 - 120

## **Building Hire and Leasing Limited - In Administration**

- Supervisors 42 - 70
- Administrators and Support Staff 20 – 40

Please note that we reserve the right to amend these rates from time to time during the course of the assignment, however any material amendments to these rates will be advised to creditors in the next statutory report

Please note that this firm records its time in minimum units of 6 minutes