

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
(full name of court)

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 August 2012

To
(b) 21 February 2013

Signed

[Handwritten Signature]
Joint / Administrator(s)

Dated

19.3.2013

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

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

DX Number 023 8023 4222
DX Exchange

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



A19 23/03/2013 #6
COMPANIES HOUSE

code

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

SATURDAY

**Joint Administrators'
Progress Report**

**For the period
22 August 2012 to 21
February 2013**

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

Building Hire and Leasing Limited - In Administration

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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 August 2012 to 21 February 2013. The bank interest received relates to a cheque which was banked into the account which was subsequently stopped.
- 2 2 This progress report should be read in conjunction with my proposals dated 11 October 2012.

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 appeared to have been transferred out of the business prior to the Administration.
- 2 4 In mid-September the Administrators received a copy of 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.

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2 5 The Administrators have reviewed this transaction and have instructed solicitors, Coffin Mew LLP, to communicate with the solicitor acting for Dale Acquisitions Limited. The matter remains on-going.

2 6 The Administrators have been contacted by a number of clients who rent Terrapin units. It is anticipated that there may be recoveries in this regard.

Book Debts and Retentions

2 7 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 will be possible.

2 8 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 9 During the period, Mr Lewington and the Administrators have been in communication with the retention debtors.

2 10 The level of recovery in this regard is likely to be significantly lower than originally anticipated due to counter claims and disputes.

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.

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- 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
- 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
- 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 Furthermore, a response is expected shortly from Guernsey Prison
- 3 10 Following a review of records and contact from 3rd parties discussions are on-going with other debtors However it is unclear at this time if there will be any net recovery following the correction of defects
- 3 11 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 12 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

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- 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 The three largest unsecured creditors were approached to provide funding but this was 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 I am requesting 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 would contact me to confirm whether, without commitment as to amount, they are willing to support my request.

5 Pre-administration Costs

- 5 1 On 31 October 2012 the following amounts in respect of pre-administration costs were approved:

Charged by	Brief description of services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
HJS Recovery LLP	Dealing with director, reviewing company's financial position, liaising with solicitors and creditors and drafting of two reports to court in relation to administration application	£14,910	£5,000 plus VAT	Terrapin Hire Limited	£9,910
HJS Recovery LLP	Staff Travel disbursements – Mileage	£114.02	Nil	N/a	£114.02
Leslie Keats	Review of information provided by the company and letter to proposed Administrators giving valuation of retentions and claims	£800	Nil	N/a	£800
Coffin Mew LLP	Advice to company including matters arising in the course of the administration application, dealing Creditors,	£34,320	£10,000 plus VAT	Terrapin Hire Limited	£24,320

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Coffin Mew LLP	Disbursements – Counsels' Fees in respect of attendance at court and general advice	£4,700	Nil	N/a	£4,700
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6 Administrators' Remuneration

6.1 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

6.2 Our time costs for the period from 22 August 2012 to 21 February 2013 are £56,222.08. This represents 322.56 at an average rate of £174.30 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 and my staff in managing the Administration. I have received no funds in respect of these costs.

6.3 I have incurred and paid 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	569.00	569.00	HJS Recovery

6.4 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

Building Hire and Leasing Limited - In Administration

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

- 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 anecdotal transactions

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

6.5 Attached as Appendix C 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

7 Administrators' Expenses

7.1 The following expenses have been incurred since my appointment as Joint Administrator

Building Hire and Leasing Limited - In Administration

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	6,405 65	Nil	6,405 65
Coffin Mew LLP	General legal advice regarding premises correspondence with solicitor acting for Dale Acquisitions Ltd, advice regarding antecedental transactions, retention of title	12,843 35	Nil	12,843 35
JLT	Insurance	289 38	Nil	289 38

8 Estimated outcome for creditors

Secured Creditors

- 8 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
- 8 2 Currently the end user makes payments under the original hire contract directly to Investec following assignment of the rental stream
- 8 3 It is likely that following the assignment of the receivables due to Investec under their charge dated 10 March 2012 the liability due to the charge holder will be mitigated
- 8 4 No claim has been received from this creditor

Preferential Creditors

- 8 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

Unsecured Creditors

- 8 6 I have received claims totalling £2,250,310 from 112 creditors I have yet to receive claims from 48 creditors (excluding employees) whose debts total £724,496 as per the Directors' statement of affairs

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8 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

9 Ending the Administration

9 1 The purpose of the Administration cannot be achieved and as per the Administrators' proposals it is our intention to convert the Administration to a Liquidation to continue investigations and realise assets for the benefit of creditors

9 2 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

10 Creditors' rights

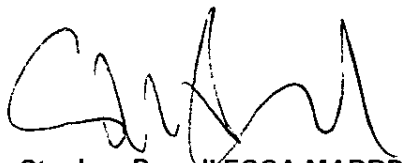
10 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report

10 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

11 Next report

11 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 or they wish to extend it

For and on behalf of
Building Hire and Leasing Limited



Stephen Powell FCCA MABRP
Joint Administrator

19 March 2013

**Building Hire and Leasing Limited
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments
To 21 February 2013**

RECEIPTS	Total (£)
Bank Interest Gross	0 12
	<hr/>
	0 12
	<hr/>
PAYMENTS	
	<hr/>
Balances in Hand	0 00
	0 12
	<hr/>
	0 12
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Building Hire and Leasing Limited (in Administration)

Time Analysis for the period from 22 August 2012 to 21 February 2013

SIP9 Category	Insolvency Practitioner	Snr Manager / Manager	Supervisor	Assistant & Support Staff	Total Hours	Charge	Avg Rate
Administration and planning	28 50	0 00	34 00	66 40	128 90	£21,216 25	£164 59
Investigations	8 50	0 00	36 45	7 25	52 20	£10 022 50	£192 00
Realisation of assets	13 00	0 00	23 65	1 16	37 81	£8 778 75	£232 18
Creditors	11 00	0 00	51 23	40 42	102 65	£16 088 33	£156 73
Tax Reviews	0 00	0 00	0 00	1 00	1 00	£116 25	£116 25
TOTALS	61 00	0 00	145 33	116 23	322 56	£56,222 08	£174 30

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

APPENDIX C

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.

Name of Professional Advisor	Basis of Fee Arrangement
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

13 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.

	<u>£</u>
• 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.

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