



Ernst & Young LLP  
1 Bridgewater Place  
Water Lane  
Leeds  
LS11 5QR

Tel: + 44 113 298 2222  
Fax: +44 113 298 2201  
ey.com

TO ALL KNOWN CREDITORS

20 December 2019

Ref: RHK/CGJK/TH/BL/SA/D16.4

Direct line: 0113 236 4427  
Direct fax: 0113 298 2206

Email: [sallen7@uk.ey.com](mailto:sallen7@uk.ey.com)

Dear Sirs

**York House Construction Limited (In Administration) (“the Company”)  
High Court of Justice, Chancery Division, Leeds District Registry – 1862 of 2008**

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016, to provide creditors with a report on the progress of the Administration. This report covers the period from 26 May 2019 to 25 November 2019 and should be read in conjunction with our previous reports and the Joint Administrators’ proposals. Statutory information about the Company, the Administration and the office holders is given at Appendix 1.

**Summary of progress since last report dated 23 June 2019**

Unsecured creditor adjudication

We are in the process of eliciting and adjudicating non-preferential creditor claim, so to the extent that you have not done so already, should you wish to make an unsecured claim against the Company, please complete a proof of debt form (enclosed) and provide us with the relevant supporting documentation marked for the attention of Sam Allen to the address at the top of this letter.

Debtors

We have recently been notified of developments relating to ongoing litigation being pursued by the liquidator of one of the Company’s debtors (‘Insolvent debtor’), which is insolvent. Due to its liquidation, the Insolvent debtor had no means to make any payment against the outstanding balance.

However, as a result of developments, we understand realisations may now become available from the Insolvent debtor, which could enable a distribution to the Company. We understand that the liquidator of the Insolvent debtor is progressing this matter and we await further progress.

**Extension of Administration**

As you may be aware, the Administration of the Company was due to end on 25 November 2019.

Pursuant to paragraph 76 of Schedule B1 of the Insolvency Act 1986, the Administration has now been extended to 25 November 2021, by order of the court.

## **Receipts and payments account**

A summary of our receipts and payments for the period from 26 May 2019 to 25 November 2019 is attached at Appendix 2. It does not reflect estimated future realisations or costs.

## **Investigations**

During the period of this report, no further investigations have been conducted and there are no updates to those matters previously reported.

## **Joint administrators' remuneration**

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me. Please note that the references in the Guide to fee estimates do not apply to administrations, such as this one, which started before 1 October 2015.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

Our remuneration was fixed on a time-cost basis by a resolution of the creditors passed on 4 February 2009.

During the period covered by this report, remuneration of £50,115 has been charged. Of this sum, £nil has been paid.

At Appendix 3 to this report there is an analysis of the time spent.

## **Joint administrators' expenses**

During the period covered by this report, we have incurred expenses totalling £966 plus VAT. There is a breakdown of expenses incurred in this period and to date at Appendix 4 of this report.

## **Distributions to creditors**

### **Secured creditors**

At the date of our appointment the Bank's indebtedness totalled £1,383,000, including the potential exposure of c.£205,000 in respect of a guarantee bond on the Donisthorpe Hall contract. This amount is subject to accruing interest and charges.

Given the level of realisations to date it remains unlikely the Bank will be repaid in full. The Bank's ultimate recovery will be dependent upon:

- ▶ The extent of any payment in relation to the Bond; and



► The level of realisations generated from the Liquidation of the Company's subsidiary and guarantor company, YHC Developments Limited.

To date, we have distributed £1,175,000 to the Bank under its fixed and floating charges.

### **Preferential creditors**

Preferential creditor claims of £190,583 have been paid in full.

### **Non-preferential creditors**

To date we have received non-preferential, unsecured claims totalling c.£3.6m. This remains significantly below the £10.3m illustrated in the directors' statement of affairs.

At present there are insufficient funds available to allow a distribution to be made to non-preferential creditors other than by virtue of the Prescribed Part.

### **Remaining work**

The Joint Administrators will continue to act in accordance with their proposals. This work will include inter alia:

- Dealing with statutory reporting and compliance issues;
- Liaising with the liquidator of the Insolvent debtor;
- Make a final distribution to the secured creditor; and
- Adjudicating unsecured creditor claims and distributing the Prescribed Part to unsecured creditors.

### **Next report**

We will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

Yours faithfully  
for the Company

A handwritten signature in black ink, appearing to read 'C. King'.

C G J King  
Joint Administrator

R H Kelly is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland and C G J King is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The affairs, business and property of the Company are being managed by the Joint Administrators, R H Kelly and C G J King, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at [www.ey.com/uk/officeholderprivacy](http://www.ey.com/uk/officeholderprivacy).



## Appendix 1

### Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice, Chancery Division, Leeds District Registry
Court reference:	1862 of 2008
Registered name of the company:	York House Construction Limited (in Administration)
Registered office address of the company:	c/o Ernst & Young LLP 1 Bridgewater Place Water Lane Leeds LS11 50R
Registered number:	03359049
Date of appointment of the joint administrators:	26 November 2008
Details of any changes of administrator:	None
Full names of the administrators:	R H Kelly and C G J King
Office holder number(s):	8582 and 8985
Administrators' address(es):	Ernst & Young LLP 1 Bridgewater Place Water Lane Leeds LS11 50R
Telephone number:	0113 236 4427
Name of alternative person to contact with enquiries about the case:	Sam Allen

**York House Construction Limited (in Administration)**

**Joint Administrators' Summary of Receipts and Payments from 26 May 2019 to 25 November 2019**

<i>Estimated to realise as per Statement of Affairs</i>	<i>Period to 25 May 2019</i>	<i>Period from 26 May 2019 to 25 November 2019</i>	<i>Total</i>
£	£	£	
<b>Receipts</b>			
700,000 Property	534,660	-	534,660
261,422 Book Debts	11,987	-	11,987
337,430 Plant & machinery	353,243	-	353,243
4,542,935 Contract novations & final account settlements	1,249,237	-	1,249,237
80,000 Return of pre appointment duplicate payment	104,694	-	104,694
- Rental income	23,175	-	23,175
- Cash at date of appointment	165	-	165
- Bank Interest	38,831	321	39,152
<b>5,921,787</b>	<b>2,315,993</b>	<b>321</b>	<b>2,316,314</b>
<b>Payments</b>			
Wages & salaries	20,726	-	20,726
Bank charges	343	-	343
Consultancy fees	94,521	-	94,521
Rent	39,988	-	39,988
Agents fees	107,277	-	107,277
Legal fees	218,728	-	218,728
Administrators Fees	175,000	-	175,000
Administrators Disbursements	29,771	-	29,771
ATE insurance costs	15,862	-	15,862
Insurance	6,828	-	6,828
Retention of title settlements	4,000	-	4,000
Stationery and postage	6,401	-	6,401
Utilities	1,564	-	1,564
Mileage charges	345	-	345
Storage charges	8,372	-	8,372
Specific bond and public notices	1,811	-	1,811
Sundry expenses	25	-	25
Property expenses	775	-	775
Corporation Tax	5,979	-	5,979
	<b>738,315</b>	<b>-</b>	<b>738,315</b>
Net Realisations	1,577,678		1,577,999
<b>Distributions</b>			
Preferential creditors	190,583	-	190,583
Secured creditor - National Westminster Bank Plc	1,175,000	-	1,175,000
	<b>1,365,583</b>	<b>-</b>	<b>1,365,583</b>
<b>Funds in hand</b>			
Cash at Bank	212,049	321	212,370
Net VAT receivable	46	-	46
	<b>212,095</b>	<b>321</b>	<b>212,416</b>

**Notes**

1. Receipts and payments are stated net of VAT.

**York House Construction Limited (in Administration)**

**Summary of Joint administrators' time-cost from 26 May 2019 to 25 November 2019**

	Partner / Director	Assistant Director	Senior Executive	Executive	Analyst	Total hours for the period	Total time cost for the period (£)	Average	Cumulative time cost to date (£)
								hourly rate for the period (£)	
Accounting & Administration (0013)	-	-	11.0	-	0.8	11.8	5,241	444	60,357
Bank & Statutory Reporting (0003)	2.0	-	2.0	-	16.5	20.5	5,925	289	110,753
Category 1 Expenses (EXP1)	-	-	-	-	-	-	-	-	-
Category 2 Expenses (mileage) (EXP2)	-	-	-	-	-	-	-	-	-
Creditors (0009)	0.5	2.0	-	-	141.5	144.0	30,796	214	126,083
Debtors (0005)	1.5	-	-	-	6.5	8.0	2,573	-	179,775
Employee Matters (0012)	-	-	-	-	-	-	-	-	26,189
General (0000)	-	-	-	10.3	-	10.3	1,439	-	24,111
Immediate Tasks (0002)	-	-	-	-	-	-	-	-	6,689
Investigations & CDDA (0011)	-	-	-	-	-	-	-	-	16,372
Legal Issues (0019)	-	-	-	-	-	-	-	-	23,370
Other Assets (0006)	-	-	-	-	-	-	-	-	6,401
Other Matters (0018)	-	-	-	-	-	-	-	-	26,785
Property (0004)	-	-	-	-	-	-	-	-	11,353
Retention of Title (0008)	-	-	-	-	-	-	-	-	11,368
Statutory Duties (0016)	-	4.0	-	-	-	4.0	2,440	-	39,391
VAT & Taxation (0017)	-	-	-	0.4	5.2	5.6	1,701	304	62,358
<b>Total hours for the period</b>	<b>4.0</b>	<b>6.0</b>	<b>13.0</b>	<b>10.7</b>	<b>170.5</b>	<b>204.2</b>			
<b>Total time cost for the period (£)</b>	<b>3,180</b>	<b>3,660</b>	<b>6,088</b>	<b>1,629</b>	<b>35,558</b>		<b>50,115</b>		
<b>Average hourly rate for the period (£)</b>	795.00		468.27	152.23	208.55			245	

**Summary of Joint administrators' time-cost from 26 November 2008 to 25 November 2019**

	Actual in this report period			Total actual to 25 May 2019		
	Total hours	Time costs (£)	Average hourly rate (£)	Total hours	Time costs (£)	Average hourly rate (£)
Accounting & Administration (0013)	11.8	5,241	444	340.1	60,357	177
Bank & Statutory Reporting (0003)	20.5	5,925	289	400.3	110,753	277
Category 1 Expenses (EXP1)	-	-	-	-	-	-
Category 2 Expenses (mileage) (EXP2)	-	-	-	-	-	-
Creditors (0009)	144.0	30,796	214	665.8	126,083	189
Debtors (0005)	8.0	2,573	-	568.6	179,775	316
Employee Matters (0012)	-	-	-	133.2	26,189	197
General (0000)	10.3	1,439	-	96.2	24,111	251
Immediate Tasks (0002)	-	-	-	49.9	6,689	134
Investigations & CDDA (0011)	-	-	-	74.3	16,372	220
Legal Issues (0019)	-	-	-	64.2	23,370	364
Other Assets (0006)	-	-	-	39.8	6,401	161
Other Matters (0018)	-	-	-	110.9	26,785	242
Property (0004)	-	-	-	63.4	11,353	179
Retention of Title (0008)	-	-	-	70.9	11,368	160
Statutory Duties (0016)	4.0	2,440	-	150.7	39,391	261
VAT & Taxation (0017)	5.6	1,701	304	243.5	62,358	256
<b>Total</b>	<b>204.2</b>	<b>50,115</b>	<b>245</b>	<b>3,071.8</b>	<b>731,352</b>	<b>238</b>

**York House Construction Limited (in Administration)**

**Summary of Joint Administrators' expenses incurred**

Type of Expense	Paid as at 25 May 2019	Paid in Period	Outstanding	Total to 25 November 2019
<b>Payments made from the estate which are not disbursements (see note 1 and 2 at the end of this table)</b>				
Wages & Salaries	20,726.80	-	-	20,726.80
Bank Charges	343.00	-	-	343.00
Consultancy fees	94,521	-	-	94,521
Rent	39,988.11	-	-	39,988.11
Agents fees	107,276.60	-	-	107,276.60
Legal fees	218,728.47	-	-	218,728.47
ATE insurance cost	15,861.84	-	-	15,861.84
Insurance	6,827.80	-	-	6,827.80
Retention of title settlements	4,000	-	-	4,000
Stationary and postage	6,401.09	-	-	6,401.09
Utilities	1,563.66	-	-	1,563.66
Mileage charges	344.63	-	-	344.63
Storage charges	8,371.63	-	-	8,371.63
Specific bond and public notices	1,810.80	-	-	1,810.80
Sundry expenses	25.13	-	-	25.13
Property expenses	775.00	-	-	775.00
Corporation tax	5,978.94	-	-	5,978.94
<b>Totals</b>	<b>533,544.10</b>	-	-	<b>533,544.10</b>

<b>Category 1 disbursements</b>				
Postage	16,183.70	966.00	-	17149.70
Photocopying	11,355.70	-	-	11,355.70
Courier	168.75	-	-	168.75
Sustenance	94.20	-	-	94.20
Taxi Fares	58.31	-	-	58.31
<b>Category 2 disbursements</b>				
Mileage	1,931.14	-	-	1,931.14
<b>Totals</b>	<b>29,791.80</b>	<b>966.00</b>	<b>-</b>	<b>30,757.80</b>

## Notes

- 1 Statement of Insolvency Practice 9 (SIP 9) defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or distributions to creditors.
- 2 SIP 9 defines disbursements as a type of expense which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: Category 1 and Category 2.
  - Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment
  - Category 2 disbursements are expenses which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs.







## Notes to Administration Proof of Debt Form:

1. Please attach a detailed statement of your account as at the date on which the company entered Administration.
2. VAT bad debt relief may usually be claimed six months after the date of supply.
3. The Administrator may call for any document or other evidence to be produced if it is considered necessary for the purpose of substantiating the whole or any part of the claim made.
4. The Joint Administrators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at [www.ey.com/uk/officeholderprivacy](http://www.ey.com/uk/officeholderprivacy).