

TO ALL KNOWN CREDITORS

23 June 2019

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

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

email: 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 November 2018 to 25 May 2019 and should be read in conjunction with our previous progress 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

During the period since the last report, an interim distribution has been made to the Secured Creditor. We are now in a position to commence the process of eliciting and adjudicating the claims of the non-preferential creditors of the Company.

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.

Receipts and payments account

A summary of our receipts and payments for the period from 26 November 2018 to 25 May 2019 is attached at Appendix 2. Please note 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 note that have not previously been 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 £12,237 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 £5,725 plus VAT. There is a breakdown of expenses incurred 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.

Within the current reporting period a distribution of £175,000 was made to the Bank. 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.

Please note that there will be 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;
- 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



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.

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 5QR
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 5QR
Telephone number:	0113 236 4427
Name of alternative person to contact with enquiries about the case:	Sam Allen

Appendix 2

York House Construction Limited (in Administration)

Joint Administrators' Summary of Receipts and Payments from 26 November 2018 to 25 May 2019

YORK HOUSE CONSTRUCTION LIMITED (IN ADMINISTRATION)

<i>Estimated to realise as per Statement of Affairs</i>	<i>Period to 25 November 2018</i>	<i>Period from 26 November 2018 to 25 May 2019</i>	<i>Total</i>
£	£	£	£
Receipts			
700,000	534,660	-	534,660
261,422	11,987	-	11,987
337,430	353,243	-	353,243
4,542,935	1,249,237	-	1,249,237
80,000	104,694	-	104,694
-	23,175	-	23,175
-	165	-	165
-	38,411	420	38,831
<u>5,921,787</u>	<u>2,315,573</u>	<u>420</u>	<u>2,315,993</u>
Payments			
	20,726	-	20,726
	342	1	343
	94,521	-	94,521
	39,988	-	39,988
	107,277	-	107,277
	213,004	5,724	218,728
	175,000	-	175,000
	29,771	-	29,771
	15,862	-	15,862
	6,828	-	6,828
	4,000	-	4,000
	6,401	-	6,401
	1,564	-	1,564
	345	-	345
	8,372	-	8,372
	1,811	-	1,811
	25	-	25
	775	-	775
	5,979	-	5,979
	<u>732,590</u>	<u>5,725</u>	<u>738,315</u>
Net Realisations	1,582,984		1,577,678
Distributions			
Preferential creditors	190,583	-	190,583
Secured creditor - National Westminster Bank Plc	1,000,000	175,000	1,175,000
	<u>1,190,583</u>	<u>175,000</u>	<u>1,365,583</u>
Funds in hand			
Cash at Bank	328,423	(116,374)	212,049
Net VAT receivable	63,978	(63,931)	46
	<u>392,401</u>	<u>(180,305)</u>	<u>212,095</u>

Notes

1. Receipts and payments are stated net of VAT.

Appendix 3

York House Construction Limited (in Administration)

Summary of Joint Administrators' time-costs from 26 November 2018 to 25 May 2019

	Partner / Director	Assistant Director	Senior Executive	Executive	Analyst	Total hours for the period	Total time cost for the period (£)	Average hourly rate for the period (£)
Accounting & Administration (0013)	-	-	10.5	0.8	-	11.3	5,007	443
Bank & Statutory Reporting (0003)	2.0	-	8.5	-	-	10.5	5,355	510
Category 1 Expenses (EXP1)	-	-	-	-	-	-	-	-
Category 2 Expenses (mileage) (EXP2)	-	-	-	-	-	-	-	-
Creditors (0009)	-	-	-	-	2.0	2.0	360	180
Debtors (0005)	-	-	-	-	-	-	-	-
Employee Matters (0012)	-	-	-	5.5	-	5.5	1,403	255
General (0000)	-	-	-	-	-	-	-	-
Immediate Tasks (0002)	-	-	-	-	-	-	-	-
Investigations & CDDA (0011)	-	-	-	-	-	-	-	-
Legal Issues (0019)	-	-	-	-	-	-	-	-
Other Assets (0006)	-	-	-	-	-	-	-	-
Other Matters (0018)	-	-	-	-	-	-	-	-
Property (0004)	-	-	-	-	-	-	-	-
Retention of Title (0008)	-	-	-	-	-	-	-	-
Statutory Duties (0016)	-	-	-	-	-	-	-	-
VAT & Taxation (0017)	-	-	-	-	0.4	0.4	112	280
Total hours for the period	2.0	-	19.0	6.3	2.4	29.7		
Total time cost for the period (£)	1,530	-	8,550	1,685	472		12,237	
Average hourly rate for the period (£)	765.00		450.00	267.38	196.67			412

Summary of Joint Administrators' time-costs from 26 November 2008 to 25 May 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)	11.3	5,007	443	328.3	55,116	168
Bank & Statutory Reporting (0003)	10.5	5,355	510	379.8	104,828	276
Category 1 Expenses (EXP1)	-	-	-	-	-	-
Category 2 Expenses (mileage) (EXP2)	-	-	-	-	-	-
Creditors (0009)	2.0	360	180	521.8	95,287	183
Debtors (0005)	-	-	-	560.6	177,203	316
Employee Matters (0012)	5.5	1,403	255	133.2	26,189	197
General (0000)	-	-	-	85.9	22,672	264
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)	-	-	-	146.7	36,951	252
VAT & Taxation (0017)	0.4	112	280	237.9	60,657	255
Total	29.7	12,237	412	2,867.6	681,237	238

Appendix 4

York House Construction Limited (in Administration)

Summary of joint administrators' expenses incurred

Type of Expense	Paid as at 25 November 2018	Paid in Period	Outstanding	Total
Payments made from the estate which are not disbursements (see note 1 and 2 at the end of this table)				
Wages & Salaries	20,726.80	-	-	20,726.80
Bank Charges	342.40	0.60	-	343.00
Consultancy fees	94,521.00	-	-	94,521
Rent	39,988.11	-	-	39,988.11
Agents fees	107,276.60	-	-	107,276.60
Legal fees	213,004.07	5,724.00	-	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
Totals	527,819.50	5,724.60	-	533,544.10

Category 1 disbursements				
Postage	16,183.70	-	-	16,183.70
Photocopying	11,355.70	-	-	11,355.70
Courier	168.75	-	-	168.75
Sustenance	94.20	-	-	94.20
Taxi Fares	58.31	-	-	58.31
Category 2 disbursements				
Mileage	1,931.14	-	-	1,931.14
Totals	29,791.80	-	-	29,791.80

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 distribution 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.

Administration Proof of Debt

Rule 14.4, Insolvency (England and Wales) Rules 2016

York House Construction Limited (In Administration) (“the Company”)

Date of Administration: 26 November 2008

Please refer to the notes at the end of this form.

Name of Creditor

Address

Total amount of claim, including VAT, as at 26 November 2008

Less: any payments made to you after 26 November 2008 in respect of the claim

Less: any trade or other discounts (except early payment discounts) under Rule 14.20

Less: any adjustments for set off in accordance with Rule 14.24

Net claim after deductions

Amount of any outstanding uncapitalised interest included in claim

Amount of any VAT included in claim

Is the whole or any part of your claim preferential, within the meaning of section 386, schedule 6, of the Insolvency Act 1986? If so, into which category of debt does it fall?

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Continued on next page

Particulars of how and when the debt was incurred.

Is your claim secured? If so, please provide the following information:

- the nature of the security
- the date on which it was given
- the value which you put on the security

If you claim or have claimed reservation of title in respect of goods to which the debt refers, please give details here.

Please provide details of any document by reference to which the debt can be substantiated

Signed
Signature on behalf of creditor

Name

Address

Authority to sign on behalf of creditor

Date

For Administrator's use only

File with Sam Allen

Reviewed by _____

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.