

**Liquidator's Progress  
Report****S.192****Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986**

To the Registrar of Companies

Company Number

00537720

Name of Company

D A Green &amp; Sons Limited

We  
Simon Wilson and Anne O'Keefe  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

Ryan Grant  
35 Newhall Street  
Birmingham  
B3 3PU

the liquidators of the company attach a copy of our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 31/03/2011 to 30/03/2012

Signed



Date

16 - 5 - 12 ,

Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

Ref DA03LCM/CMW/JWO/KW/MT

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Joint Liquidators'  
Progress Report  
for the period  
31 March 2011 to  
30 March 2012

D.A. Green & Sons Limited  
In Liquidation

13 May 2012

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## **1 Statutory information**

- 1.1 Anne O'Keefe was appointed Joint Liquidator of D.A. Green & Sons Limited (the Company) together with Ryan Grant and Simon Wilson on 31 March 2011, following the filing of form 2 34B - notice of move from Administration to Creditors Voluntary Liquidation (CVL), with the Registrar of Companies.
- 1.2 The Liquidation is being handled by Zolfo Cooper's Manchester office, situated at The Zenith Building, 26 Spring Gardens, Manchester M2 1AB.
- 1.3 The trading address of the Company was Hackford House, High Road, Whaplode, Spalding, Lincolnshire PE12 6TG.
- 1.4 The registered office of the Company has been changed to c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester M2 1AB and its registered number is 00537720.

## **2 Progress of the Liquidation**

- 2.1 The Joint Liquidators were previously Joint Administrators of the Company. The preceding Administration commenced on 14 October 2010. Accordingly, this report should be read in conjunction with the Joint Administrators' Report and Statement of Proposals dated 7 December 2010 and the Joint Administrators' Final Progress Report dated 28 March 2011.
- 2.2 Attached at Appendix A is the Joint Liquidators' Receipts and Payments Account (R&P) for the period 31 March 2011 to 30 March 2012, along with figures provided in the directors' Statement of Affairs (SOA), where applicable, for comparison purposes.

### **Funds transferred from the Administration**

- 2.3 The R&P shows a receipt of funds transferred from the Administration of £1,007,464. This figure is made up of the final balance available to the Liquidator shown in the Joint Administrators' final progress report (£1,008,931), plus an additional book debt receipt of £12,000 received on 28 March 2011 and after deduction of additional bank charges of £20. The receipt and payment occurred after the circulation of the final report, but before the Company was moved into Liquidation.
- 2.4 During the period, the Joint Liquidators have finalised the tax position of the Company, in respect of both the pre and post appointment periods. The funds transferred to the Liquidation have been further reduced by £13,447 in respect of a repayment of VAT to HM Revenue and Customs.

### **Freehold property**

- 2.5 The Company's freehold site in Spalding was successfully sold in August 2011. The sale price achieved was £975,000, which was in line with the Joint Liquidators' agent's recommendations. The price achieved was impacted by the presence of structural asbestos at the site, together with difficult market conditions at the time of the sale. In completing the sale, the Joint Liquidators have ensured that overall holding costs have been kept to a minimum and the highest possible return has been achieved for the Company's asset.

### **Leasehold property**

- 2.6 The leases held by the Company in respect of a number of sites surrounding the trading premises had no value and were disclaimed in May 2011.

### **Book debts**

- 2.7 Contract book debt receipts in the Liquidation total £128,777. The Joint Liquidators are continuing to utilise the services of Naismiths Limited (Naismiths) who are collecting the debts. As previously advised, the contractual nature of the debts means that the level and timescales of further collections will be dictated by the costs incurred in completing the outstanding works and the expiry of defect liability periods. Naismiths have advised that collections may continue for a further two years, however, the majority of the debts are expected to be collectable within a much shorter timescale.
- 2.8 As at the date of this report there are 24 accounts still to be resolved. Naismiths have recently agreed one of the larger contracts and approximately £168,000 is expected to be received shortly.

### **Other receipts**

- 2.9 A refund of £3,486 has been received in respect of the Company's life assurance policy premiums which were paid prior to the Company's insolvency.
- 2.10 During the period, the Joint Liquidators submitted a claim for VAT relief on the Company's pre-administration bad debts. The claim was successful and £4,780 was recovered.

### **Preferential and unsecured dividends**

- 2.11 The Joint Liquidators have spent time agreeing the claims of both preferential and unsecured creditors of the Company. On 13 July 2011, £51,032 was paid to the preferential creditors of the Company, representing a dividend of 100 pence in the pound. Subsequently, a further payment of £1,844 was paid to the Department for Business, Innovation and Skills (BIS) in respect of the Company's unpaid pension contribution liabilities, which rank as preferential claims. Further detail on the work completed in respect of the Company's pension schemes is provided at section 2.16.
- 2.12 The Company does not have any further preferential liabilities.
- 2.13 An interim dividend was declared and paid to all unsecured creditors of the Company on 14 November 2011. The dividend represented an initial return of 30 pence in the pound on all agreed unsecured claims, which total £4,145,561. A summary of the distribution is provided at section 5.2.

### **Employee tribunal claims**

- 2.14 A tribunal award was granted to a large proportion of the Company's former employees in August 2011. An element of the reward was subsequently rejected for payment by the Redundancy Payments Service (RPS), specifically in relation to unfair dismissal and a basic award. The matter was ongoing at the time of the interim dividend distribution and the Joint Liquidators made a provision for the Company's liability when calculating the dividend rate.

- 2.15 A catch up dividend will be paid to the employees in respect of the tribunal award elements which were not rejected once an updated claim has been received from the RPS.

### Other matters

- 2.16 During the period, work has been finalised in respect of the winding up of the Company's pension schemes. Reviews of the schemes have been concluded and, where appropriate, independent trustees have been appointed to oversee their winding up. There are not expected to be any further liabilities in respect of the schemes

### Costs incurred but not yet paid

- 2.17 The analysis of R&P for the period does not include the following costs which have been incurred during the Liquidation, but not yet discharged.

Costs Incurred	Supplier	Amount (£)
Legal fees	Wragge & Co LLP	3,399
Debt collection fees	Naismiths Limited	21,000

## 3 Assets still to be realised

- 3.1 The ongoing debtor collections are the only asset realisations outstanding in the Liquidation and represent the only likelihood of further realisations.

## 4 Joint Liquidators' remuneration

- 4.1 The basis of the Joint Liquidators' remuneration was approved by the creditors' committee as being by reference to the time properly spent by the Joint Liquidators and their staff on matters arising in the Liquidation.
- 4.2 The Joint Liquidators' time costs for the period 31 March 2011 to 30 March 2012 are £97,351. This represents 475 hours at an average rate of £205 per hour. Attached at Appendix B is a Time Analysis for the period which provides details of the activity costs incurred by staff grade.
- 4.3 Principal areas of activity during the period are discussed in further detail below.
- **Administration and planning** - time has been incurred in updating the case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support function time costs are also recorded here.
  - **Investigations** - time has been incurred conducting investigations into the directors' conduct together with the Company's dealings prior to the Company's insolvency and the submission of a report to BIS pursuant to the Company Directors Disqualification Act 1986.
  - **Realisation of assets** - time has been incurred in finalising the sale of the freehold site in Spalding, collecting the insurance refund and the VAT bad debt relief claim. Time has also been incurred complying with security and insurance requirements at the property and finalising liabilities in respect of the same.

- Realisation of assets - debtors - a relatively small amount of time has been incurred in liaising with Naismiths in respect of the ongoing contract debtor collections and resolving associated queries.
  - Creditors - time has been incurred agreeing preferential and unsecured creditor claims, resolving queries and administering the dividends. Time spent preparing statutory reports to the creditors' committee is also recorded here. Time has also been spent dealing with employee correspondence in respect of the tribunal awards.
- 4.4 To date, Joint Liquidators' fees totalling £91,171 plus disbursements of £4,801 have been drawn against these time costs, with the approval of the creditors' committee.
- 4.5 The following category 2 disbursements have been taken
- Photocopying - charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying.
  - Printing - charged at the rate of ten pence per sheet for black and white printing and 15 pence per sheet for colour.
- 4.6 Appendix D contains additional information in relation to the Joint Liquidators' policy on staffing, the use of sub-contractors, disbursements and details of current charge-out rates by staff grade.

## 5 Estimated outcome for creditors

### Preferential creditors

- 5.1 Preferential creditor claims total £52,876. These claims have been discharged in full.

### Unsecured creditors

- 5.2 The interim dividend declared on 14 November 2011 can be summarised as follows.

214	4,145,561	30	1,243,668
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- 5.3 As previously advised, the level of dividend was calculated after making provisions in respect of the employee tribunal awards and a trade creditor claim which was unresolved at the time the dividend was paid. Sufficient funds have been retained to pay a catch up dividend to these creditors, if required.
- 5.4 There will be sufficient realisations during the Liquidation to enable a further dividend to be paid to the unsecured creditors. Based on present estimates, and in addition to the catch up dividend detailed above, a second distribution of up to ten pence in the pound could be available. The second distribution will be paid once the debtor collections have been finalised and the Liquidation is brought to a close. The costs of collecting the remaining debts, and keeping the Liquidation open, are being reviewed periodically and the Liquidation will be finalised once it is no longer cost effective to continue collecting the debts.


## 6 Creditors' rights

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Joint Liquidators provide further information about their remuneration or expenses (other than pre-liquidation costs) which have been itemised in this progress report
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% of the value of unsecured creditors), may within eight weeks of receipt of this progress report, make an application to court on the grounds that the basis fixed for the Joint Liquidators' remuneration, the remuneration or the expenses incurred by the Joint Liquidators as set out in this progress report are excessive.

## 7 Next report

- 7.1 The Joint Liquidators are required to provide a progress report within two months of the end of the next year of the Liquidation, if the Liquidation has been completed before then a final meeting will be called and a draft report circulated before that meeting.

Yours faithfully



Anne O'Keefe  
Joint Liquidator

Encs



# Receipts and Payments Account for the period 31 March 2011 to 30 March 2012

## Appendix A

Statement of Affairs £	31/03/2011 - 30/03/2012 £
<b>Receipts</b>	
Funds transferred from the Administration	1,007,464
2,000,000 Freehold property	975,000
Insurance refund	3,486
350,000 Book debts	128,777
VAT refund	4,780
	<u>2,119,507</u>
<b>Payments</b>	
Joint Administrators' final fees	73,489
Joint Liquidators fees	91,171
Category 1 disbursements	
Bordereau costs	1,440
Telephone costs	10
Stationery and postage	1,124
Courier costs	402
Storage costs	1,537
Statutory advertising	283
Category 2 disbursements	
Printing and photocopying	5
Pension scheme administration costs	600
Rent due to leasehold property	441
Employee related costs	1,292
Agents/valuers fees	22,082
Debtor collection fees	19,727
Legal fees	19,505
Utility costs	12,948
Insurance of assets	14,991
Security costs	33,996
Other property expenses	124
Bank charges	406
	<u>(295,573)</u>
<b>First and final distribution to preferential creditors</b>	
100 pence in the pound	
BIS Pension contributions	1,844
BIS Arrears and holiday pay	37,139
Employees wages arrears and holiday pay	10,258
HM Revenue and Customs	3,635
	<u>(52,876)</u>
<b>Interim distribution to unsecured creditors</b>	
30 pence in the pound	
Trade creditors	1,237,359
Employees - redundancy	5,912
Employees - wages arrears	287
HM Revenue and Customs Tax and National Insurance	110
	<u>(1,243,668)</u>
<b>Balance</b>	<u>527,390</u>
<b>Represented by</b>	
Interest bearing account	520,123
VAT payable	(200)
VAT receivable	7,467
	<u>527,390</u>

# Time Analysis for the period 31 March 2011 to 30 March 2012

## Appendix B

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
<b>Administration and planning</b>							
Planning	-	0 1			0 1	31 50	315
Strategy and control	4 2	5 1	18 3		27 6	7,340 50	266
Statutory duties		0 9	3 9	1 7	6 5	1,343 00	207
Case administration	0 2	2 1	18 0	14 0	34 3	6,272 50	183
Accounting and treasury	2 2	3 4	15 7	31 4	52 7	8,435 00	160
Internal documentation		1 3	6 5	3 7	11 5	2,278 00	198
<b>Investigations</b>							
Director conduct reports	0 4	0 2	0 9	1 0	2 5	554 00	222
Other Investigations		-	0 5		0 5	110 00	220
<b>Realisation of assets</b>							
Asset Identification and valuation	1 1	-	4 4		5 5	1,400 50	255
Sale of assets	1 6		0 5		2 1	700 00	333
Recovery of assets			4 7		4 7	1,051 00	224
Dealing with third party assets	3 2	1 0	9 4		13 6	3,532 00	260
Asset accounting and administration		0 6	2 0		2 6	637 00	245
<b>Realisation of assets - debtors</b>							
Debt collection		0 3	0 5		0 8	204 50	256
Debtor litigation	0 1				0 1	34 00	340
Internal and external documentation			1 0		1 0	220 00	220
<b>Creditors</b>							
Creditor claims	0 4	4 6	24 9	41 7	71 6	11,878 50	166
Debtor litigation		-	1 7	0 6	2 3	443 00	193
Internal documentation			0 6	1 0	1 6	247 00	154
Reporting to creditors		0 5	2 7		3 2	755 50	236
Creditors' committee	1 3	5 0	35 2		41 5	9,967 50	240
Preferential creditors	0 3	1 5	10 6		12 4	2,915 00	235
Unsecured creditors	1 9	9 2	93 4	30 7	135 2	27,782 50	205
Employees		3 2	35 3	2 7	41 2	9,174 50	223
Shareholders and other stakeholders			0 2		0 2	44 00	220
<b>Totals</b>	<b>16 9</b>	<b>39 0</b>	<b>290 9</b>	<b>128 5</b>	<b>475 3</b>	<b>97,351 00</b>	<b>205</b>

## Additional information in relation to the Joint Liquidators' remuneration pursuant to Statement of Insolvency Practice 9

## Appendix C

### 1 Policy

Detailed below is Zolfo Cooper'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 Joint Liquidators' general approach to resourcing assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The case team will usually consist of a partner, a senior associate, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Joint Liquidators' charge-out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, time spent by treasury in relation to specific tasks on an assignment is charged but secretarial time is only recovered if a large block of time is incurred, eg in report compilation and distribution.

The Joint Liquidators have utilised the services of the following sub-contractors in this case.

Service provided	Sub-contractor	Fee arrangement	Cost to date
Employee claim assistance	Payco ERA Limited	Hourly rate plus disbursements	1,292

#### 1.2 Professional advisors

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

Professional advisor	Fee arrangement
Wragge & Co LLP (legal advice)	Hourly rate and disbursements
Nalsmiths Limited (contract debtor collections)	Percentage of realisations
Alexander Forbes Trustee Services Limited (pensions advice)	Agreed fee
Willis Limited (insurance)	Risk based premium
Jones Lang LaSalle Limited (valuation and disposal advice)	Percentage of realisations

The Joint Liquidators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

### 1.3 Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Joint Liquidators and their staff will also be chargeable.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the resolution approved by creditors. Category 2 disbursements that may be incurred are as follows:

- Photocopying - charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying.
- Printing - charged at the rate of ten pence per sheet for black and white printing and 15 pence per sheet for colour.

## 2 Charge-out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 January 2011 is detailed below.

Description	£
<b>Partner/director</b>	
Partner 1*	445
Partner 2*	395
Director	340
<b>Senior associate</b>	
Senior associate 1*	315
Senior associate 2*	265
<b>Associate/analyst</b>	
Associate	230
Analyst*	220
<b>Junior analyst and support staff</b>	
Junior analyst*	115
Senior treasury associate	155
Treasury associate	105
Treasury analyst	80
Support	75
<b>*Key</b>	
<i>Partner 1 - partners with three or more years' experience at partner level</i>	
<i>Partner 2 - partners with fewer than three years' experience at partner level</i>	
<i>Senior associate 1 - staff with two or more years' experience at senior associate level</i>	
<i>Senior associate 2 - staff with fewer than two years' experience at senior associate level</i>	
<i>Analyst - staff with more than one year's experience at analyst level</i>	
<i>Junior analyst - first year analysts</i>	