

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

FRIDAY



\*A963XVFL\*

A11

29/05/2020

#213

COMPANIES HOUSE

### 1 Company details

Company number 0 8 8 5 4 7 7 8

Company name in full PHD1 Construction Limited

→ Filing in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Jonathan

Surname Lord

### 3 Liquidator's address

Building name/number Bridgestones

Street 125-127 Union Street

Post town Oldham

County/Region Lancashire

Postcode O L 1 1 T E

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

6

### Period of progress report

From date	d	0	d	8	m	0	m	5	y	2	y	0	y	1	y	9
To date	d	0	d	7	m	0	m	5	y	2	y	0	y	2	y	0

7

### Progress report

☒ The progress report is attached

8

### Sign and date

Liquidator's signature

Signature

X



X

Signature date

d	2	d	7	m	0	m	5	y	2	y	0	y	2	y	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

LIQ03

## Notice of progress report in voluntary winding up

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Lindsey Hall**

Company name **Bridgestones**

Address **125-127 Union Street**

Post town **Oldham**

County/Region **Lancashire**

Postcode **O L 1 1 T E**

Country

DX

Telephone **0161 785 3700**

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

**All information on this form will appear on the public record.**

**Where to send**

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**PHD1 Construction Limited – In Creditors' Voluntary Liquidation**  
**LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS**

**Period: 8<sup>th</sup> May 2019 to 7<sup>th</sup> May 2020**

I write following my appointment as Liquidator of the above Company on 8<sup>th</sup> May 2019.

It is now 1 year since my appointment in this matter, and I am therefore writing to all members and creditors in accordance with Section 104A of The Insolvency Act 1986, to advise you of my dealings in the liquidation and to lay before you an account of my receipts and payments.

**EXECUTIVE SUMMARY**

The liquidation remains ongoing, whilst recovery action is taken in relation to the funds outstanding under the terms of the sale agreement, originally entered into by the Joint Administrators, which I anticipate will be concluded within the next 12-18 months.

**STATUTORY INFORMATION**

Company name:	PHD1 Construction Limited
Trading address & former registered office:	7 Webster Court Carina Business Park Warrington WA5 8WD
Registered office:	125/127 Union Street Oldham OL1 1TE
Registered number:	08854778
Liquidator names:	Jonathan Lord
Liquidator address:	Bridgestones 125/127 Union Street Oldham OL1 1TE

**LIQUIDATORS' ACTIONS SINCE APPOINTMENT**

Following the conclusion of the Administration of the Company, and its transition into liquidation, I have continued with efforts to recover monies due to the Company under the terms of a sale agreement, further details of which can be found further within this report.

In addition to the above, there is certain work that I am required by the insolvency legislation to undertake work in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment as Liquidator is contained in Appendix 3.

**RECEIPTS AND PAYMENTS**

My Receipts & Payments Account for the period from 8<sup>th</sup> May 2019 to 7<sup>th</sup> May 2020 is attached at Appendix 1.

## **ASSETS**

### **Sale of Business**

Following the appointment of the Joint Administrators on 1<sup>st</sup> April 2016 a sale agreement was entered into with North Point Global Limited to purchase the Company's office furniture, equipment and goodwill for an amount of £250,000.

The sale agreement allowed for the payment of monies due on a deferred basis, with a view to all funds having been received by March 2017.

This was the only received for the purchase of the Company's assets and was made on the basis that no security would be provided by North Point Global in relation to the sale agreement.

The Joint Administrators recovered the sum of £125,000 under the terms of the sale agreement with no further funds being forthcoming.

Consequently, the Joint Administrators entered into an agreement with a third party where the sale agreement, and the balance outstanding, was novated to them. However, no funds were realised following the novation.

As such, following my appointment as Liquidator I have undertaken steps to seek recovery of monies due and can confirm that a statutory demand has now been issued against the relevant parties for the balance of the sale agreement.

Therefore, the matter remains ongoing at this time.

## **LIABILITIES**

### **Secured Creditor**

During the course of trade, Blue Ray Enterprises FZE injected funds into the Company originally on an unsecured basis. In February 2016 Blue Ray Enterprises FZE obtained a debenture over the Company and its assets by way of security against all future cash injections made into the business. Following the creation and registration of this charge, the sum of £60,000 was advanced to the Company. Consequently, Blue Ray Enterprises FZE is only a secured creditor to the amount of £60,000.

Under the terms of their fixed charge Blue Ray Enterprises FZE will be entitled to receive £60,000 from the funds received following the sale of the Company's Goodwill subject to the charge being verified.

### **Floating Charge Creditor**

Blue Ray Enterprises FZE registered a debenture over the Company at Companies House on 15<sup>th</sup> February 2016. This debenture provides for both a fixed and floating charge over the Company's assets.

However as previously disclosed, it is anticipated that the amount secured by the Charge will be repaid under the terms of the fixed element of the debenture. Therefore, no liability is expected to be outstanding to Blue Ray Enterprises FZE in their capacity as a Floating Charge Creditor.

### **Preferential Creditors**

Prior to the Company entering into Administration, the Company's employees had been transferred to Bilt Group under the provisions of the Transfer of Undertaking (Protection of Employment) Regulations 1981 ("TUPE") and as such, no preferential claims have been received or are anticipated.

### Crown Creditors

Included within the unsecured creditor claim amount, as detailed below, is an amount of £251,408.26 claimed by HM Revenue & Customs. This claim is broken down as follows:

VAT     £159,573.00  
PAYE   £91,835.26

In the original proposal to creditors, an estimated statement of financial position was included which valued the claims of HM Revenue & Customs (VAT) at £75,000.

### Non-preferential unsecured Creditors

In addition to the amounts due to HM Revenue & Customs, unsecured claims totalling £8,867,569.27 have been received.

In the original proposal to creditors, an estimated statement of financial position was included which valued the claims of unsecured creditors at £7,893,473.57 of which £75,000 was believed to be due to HM Revenue & Customs.

However, following the circulation of the Joint Administrators proposals, additional unsecured creditors have come forward and claims have been received from known creditors in excess of the estimates provided by the Company.

### **DIVIDEND PROSPECTS**

At this time, no dividend will be declared to unsecured creditors as no assets have been realised, however this will change in line with any future realisations made.

### **INVESTIGATION INTO THE AFFAIRS OF THE COMPANY**

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 12 months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.

*There were no matters that justified further investigation in the circumstances of this appointment.*

In addition to the above, within three months of my appointment as Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

### **LIQUIDATORS' REMUNERATION**

In accordance with Rule 18.20(4) of the Insolvency (England and Wales) Rules 2016, where an administrator becomes a liquidator, the basis of remuneration fixed for the administrator is treated as having been fixed for the liquidator.

It should be noted that the Joint Administrator's remuneration was fixed on a time cost basis and as such remuneration drawn in my capacity as Liquidator, will also be fixed on a time cost basis.

For the information of the creditors, the total time costs to date relating to work performed by myself and my staff in administering to the liquidation is £7,891, which equates to 58.20 hours charged at an average rate of £135.58 per hour.

I have not drawn any remuneration to date.

A schedule of my time costs incurred to date and in the period since 8<sup>th</sup> May 2019 is attached as Appendix 2

As at 7<sup>th</sup> May 2020 I anticipate that the total time costs I will incur in this matter in respect of the categories of work for which I am being remunerated on a time cost basis will exceed the total estimated remuneration I set out in my fees estimate when my remuneration was authorised by the creditors on 9<sup>th</sup> June 2016, with authority to increase remuneration drawn agreed by the Company's creditors 20<sup>th</sup> November 2018.

However, it is not my intention at this time to seek authority to increase my remuneration in line with the expected additional costs which will be incurred.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, together with an explanatory note which shows Bridgestones' fee policy are available at the link [www.bridgestones.co.uk](http://www.bridgestones.co.uk). Please note that there are different versions of the Guidance Notes and in this case you should refer to the April 2017 version.

## LIQUIDATORS' EXPENSES

Although I have accrued the following category 1 expenses in the period since my appointment, due to a lack of realisations these have not been drawn:

Type of category 1 expenses	Amount incurred/ accrued in the reporting period
Statutory Advertising	£164.32
Vision Blue Solutions (Case Management System)	£110.00
Creditor Gateway Upload	£28.00

I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Knights (formerly Parkinson)	Turner Solicitors	Time Cost Basis

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

## FURTHER INFORMATION

An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Liquidators' remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidators' remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their

receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information regarding the above can be found at [www.bridgestones.co.uk](http://www.bridgestones.co.uk).

## **SUMMARY**

The Liquidation will remain open until monies due under the sale agreement have been realised for the benefit of the liquidation. I estimate that this will take approximately 12-18 months to complete and once resolved the Liquidation will be finalised and our files will be closed.

*If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Lindsey Hall by email at [mail@bridgestones.co.uk](mailto:mail@bridgestones.co.uk), or by phone on 0161 785 3700.*



**Jonathan Lord**  
**Liquidator**



**PHD1 Construction Ltd - In Creditors Voluntary Liquidation**  
**Liquidator's Abstract of Receipts & Payments**

**From 08 May 2019 To 07 May 2020**

S of A £		As Previously Reported	08/05/19 to 07/05/20	Total £
<b>RECEIPTS</b>				
NIL				
NIL		NIL	NIL	NIL
<b>PAYMENTS</b>				
NIL		NIL	NIL	NIL
0		NIL	NIL	(NIL)
<b>CASH IN HAND</b>				
0		NIL	NIL	NIL

# BRIDGESTONES CHARGEOUT RATE SUMMARY

Client name: PHD1 Construction Ltd

Date: 12/05/2020

Time Spent for period: 08 May 2019 - 07 May 2020

Classification of work	Insolvency Practitioner hours	Senior Manager hours	Manager hours	Case Administrator hours	Support Staff hours	Total Hours	Total Cost	Average Rate
Statutory compliance, administration and planning	0.10	9.30	0.30	0.00	0.40	10.10	2,485.00	246.04
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.70	1.70	0.00	0.00	0.00	2.40	733.00	305.42
Bank	0.00	0.00	0.20	0.00	0.00	0.20	48.00	240.00
Creditors and Employees	0.00	0.50	0.00	0.00	0.00	0.50	125.00	250.00
Case specific matters	0.00	0.00	0.00	0.00	45.00	45.00	4,500.00	100.00
Total hours	0.80	11.50	0.50	0.00	45.40	58.20	7,891.00	135.58
Total fees claimed							7,891.00	
Invoiced							0.00	
Balance written off /carried forward							7,891.00	

Charge out rate in units of 6 minutes

Chargeout rates:	2020	2019	2018
Insolvency Practitioner	440	440	430
Senior Manager	270	270	260
Manager	240	240	160
Case Administrator	190	190	160
Support Staff	130	130	125

Standard Activity	Examples of Work
Statutory compliance, administration and planning	Statutory reporting and compliance. Compliance with other regulatory requirements. Case planning Administrative set up Appointment notification Maintenance of records
Investigations	SIP2 review CDDA reports Investigation antecedent identifying, securing, insuring
Realisation of assets	Negotiating with Debt collection Property, Business asset sales Management of operations
Trading	Management of operations Accounting for trading On-going employee issues
Creditors	Communicating with creditors Creditors' claims (including employees' and other preferential creditors)

## Appendix 3

### 1. Administration

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical and electronic case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

### 2. Creditors

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

### 3. Asset Realisations

- Corresponding with all parties connected to the sale agreement in relation to the outstanding balance.
- Instructing solicitors to issue a statutory demand in relation to the outstanding balance due under the sale agreement.