

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 8 7 1 6 0 6 1

Company name in full MBI Smithy Bridge Limited

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

2 Liquidator's name

Full forename(s) Robert

Surname Armstrong

3 Liquidator's address

Building name/number The Shard

Street 32 London Bridge Street

Post town London

County/Region

Postcode S E 1 9 S G

Country United Kingdom

4 Liquidator's name ①

Full forename(s) Mark

Surname Blackman

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

5 Liquidator's address ②

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester

County/Region


Postcode M 2 1 E W

Country United Kingdom

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	d0d8		m0m1		y2y0		y2y3						
To date	d0d7		m0m1		y2y0		y2y4						
7		Progress report											
		<input checked="" type="checkbox"/> The progress report is attached											
8		Sign and date											
Liquidator's signature	Signature												
	X  X												
Signature date	d2d0		m0m2		y2y0		y2y4						

LIQ03

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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 **Perry Eleftheriou**

Company name **Kroll Advisory Ltd.**

Address **The Chancery**

58 Spring Gardens

Post town **Manchester**

County/Region

Postcode **M 2 1 E W**

Country **United Kingdom**

DX

Telephone **0161 827 9000**



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 or email 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

20 February 2024

Progress Report to Creditors

MBI Smithy Bridge Limited (In Creditors' Voluntary Liquidation)

*Joint Liquidators' Progress Report to Creditors
for the period from 8 January 2023 to 7 January 2024*

Kroll Advisory Ltd.
The Chancery
58 Spring Gardens
Manchester
M2 1EW

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Appointment Date	8 January 2020, being the date of appointment of the Joint Liquidators
Category 1 Expenses	The Joint Liquidators' expenses, in dealing with the Liquidation, to persons providing the service to which the expense relates and who are not an associate of the Liquidator. These expenses can be paid without prior approval
Category 2 Expenses	The Joint Liquidators' expenses, in dealing with the Liquidation, to associates or where there is an element of shared costs. Such expenses require approval by Creditors before payment
the Company	MBI Smithy Bridge Limited (In Creditors' Voluntary Liquidation) (Company Number: 08716061)
the Cumulative Period	The period from 8 January 2020 to 7 January 2024
the Director	Iain Shelton was appointed on 9 July 2019 by the Interim Managers of NPD in their capacity as shareholder of the Company
the Director's Report	The Director's Report to Creditors
the First Block Transfer Order	The Block Transfer Order (High Court of Justice, Business & Property Courts in Manchester CR-2021-MAN-000356) obtained on 16 June 2021. The Order provided for the formal removal of Philip Duffy and Sarah Bell from office and appointed replacement office holders, Robert Armstrong and Andrew Knowles as Joint Liquidators
the Former Joint Liquidators	Philip Duffy, Sarah Bell and Andrew Knowles of Kroll
the Joint Liquidators (including contact details)	Robert Armstrong and Mark Blackman of Kroll Advisory Ltd., The Shard, 32 London Bridge Street, London SE1 9SG and The Chancery, 58 Spring Gardens, Manchester M2 1EW Office telephone: 020 7089 4700 / 0161 827 9000
Kroll	Kroll Advisory Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW
NPD / the Shareholder	Northern Powerhouse Developments Limited (In Liquidation) (Company Number: 09940469)
the Previous Progress Reports	The Joint Liquidators' previous reports to creditors dated 1 March 2021, 17 February 2022 and 17 February 2023
the Property	Smithybridge Care Home, 4 Barke Street, Littleborough, Rochdale, OL15 8QN

Word or Phrase	Definition
the Receivers	Paul Cooper and Paul Appleton of David Rubin and Partners, 1 st Floor 26-28 Bedford Row, London, EC1R 4HE appointed as fixed charge receivers over the property on 26 July 2019 under the charge held by Rockbridge
the Reporting Period	The period from 8 January 2023 to 7 January 2024
Rockbridge / the Secured Creditor	Rockbridge Lending Limited (Company Number: 10969879), the holder of a fixed and floating charge over the Company's assets
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Second Block Transfer Order	The Block Transfer Order (High Court of Justice, Business & Property Courts in Manchester CR-2023-MAN-001380) obtained on 16 November 2023. The Order provided for the formal removal of Andrew Knowles from office and appointed replacement office holder, Mark Blackman as Joint Liquidator
SIP 9	Statement of Insolvency Practice 9 – Industry Best Practice for Insolvency Practitioners in relation to disclosure of remuneration and expenses
SOA	Statement of Affairs, documentation supplied by the Director outlining the Company's financial position as at the commencement of the Liquidation

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1. Joint Liquidators' Receipts and Payments Account
2. Analysis of Expenses Incurred
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4. Statement of Creditors' Rights
5. Proof of Debt form

1. Introduction

The purpose of this progress report is to detail the Joint Liquidators' acts and dealings together with the conduct of the Liquidation during the Reporting Period.

As you are aware, Philip Duffy and Sarah Bell were appointed Joint Liquidators of the Company on the Appointment Date. Robert Armstrong and Andrew Knowles replaced the Former Joint Liquidators on 16 June 2021 following the First Block Transfer Order.

Please note that during the Reporting Period, Andrew Knowles was replaced as Joint Liquidator by Mark Blackman of Kroll on 16 November 2023, pursuant to the Second Block Transfer Order passed in the High Court of Justice, Manchester District Registry, Chancery Division, No. 001380 of 2023. Robert John Armstrong remains in office as Joint Liquidator.

This Progress Report should be read in conjunction with the Director's Report to Creditors and the Previous Progress Reports.

2. Progress of the Liquidation

2.1 Freehold Property

As previously reported, the principal asset of the Company was the Property located on Barke Street, Littleborough, OL15 8QN, which was designed for use as a nursing home.

Under the charge created on 21 December 2018, the Secured Creditor appointed the Receivers over the Property on 26 July 2019. Subsequently, the Receivers have confirmed that the sale of the Property was completed on 29 July 2020 for a sale price of £2.7 million.

The Receivers also confirmed that after the distribution to the Secured Creditor and the costs of the Receivership there are no surplus funds available to the Liquidation estate. Please refer to the Previous Progress Reports outlining the Receivers' completion statement.

2.2 Debtors, trade debtors and prepayments

As previously reported, the Director's SOA identifies trade debtors, prepayments and other debtors with a book value of £27,000. This refers to investors that still owe outstanding amounts to the Company.

There will be no realisations in respect of this balance.

2.3 Intercompany Debt

According to the books and records of the Company, at the Appointment Date, there are several outstanding debts due to the Company from associated companies within the NPD Group totalling £1.5 million.

All of the associated companies are in a formal insolvency process and the Former Joint Liquidators have lodged claims in the respective estates.

It is uncertain whether any of the intercompany debts are recoverable as this will largely depend on the outcome and realisations detailed in section 3 below across the wider NPD Group. An update in this regard will be provided in future reports to Creditors.

2.4 Other Assets

As previously reported, there are no further known assets of the Company to be realised for the benefit of the Liquidation estate.

3. Investigations

As previously reported, the Joint Liquidators' investigations into the Company's affairs remain ongoing. The Joint Liquidators cannot at this stage, detail the nature of these investigations as it may hamper any further action that may be required. However, should any of the Company's Creditors have information concerning the Company's affairs that they would like to bring to the Joint Liquidators' attention, please contact this office.

Investigations into NPD and the NPD Group remain ongoing however, the Joint Liquidators have now issued legal proceedings against the former legal advisors of the Company and served on the defendants ("the Proceedings"). The Company is one of 43 claimant companies in the NPD Group participating in the Proceedings and the costs of the claim will be shared across the insolvent estates of the claimant companies.

The Joint Liquidators' legal advisors are in correspondence with the defendants and their legal advisors. Litigation funding has been obtained to fund the pursuit of the claim. The details of the Proceedings and of the litigation funding are confidential and privileged.

Since 12 August 2022, Kroll staff engaged in work relating to the Proceedings have been recording their time to a separate shared time code.

During the Reporting Period, £49,971 has been recorded to this shared time code, representing 79 hours at an average hourly rate of £637 of which 1/43rd is chargeable to the Company.

The total time recorded to this code since 12 August 2022 amounts to £98,124 which represents 159 hours at an average hourly rate of £618 of which 1/43rd is chargeable to the Company.

This time has been incurred in:

- Reviewing company books and records for information required to bring the aforementioned claims;
- Preparing and maintaining an estimated outcome statement in relation to the litigation;
- Preparing particulars of claim;
- Liaising with the litigation funder; and
- Meetings with solicitors and other relevant parties.

Save as specified in this report, the details of the above work are privileged and confidential. The work is expected to continue whilst the Proceedings are ongoing, as well as other ad hoc duties which are required to facilitate the Proceedings, the details of which are also privileged and confidential.

A further update will be provided in the next report.

4. Liabilities and Dividends

4.1 Secured Creditor

As previously reported, the Company granted a debenture to Rockbridge, which was created on 21 December 2018 and delivered on 4 January 2019. Based on information held at the Appointment Date, the indebtedness to Rockbridge was approximately £3.1 million subject to accruing interest and charges. However, the Joint Liquidators are aware that one other company within the NPD Group has also granted charges to Rockbridge (MBI Clifton Moor Limited – In Administration).

The sum of £2,390,094 was distributed by the Receivers to the Secured Creditor under the terms of the fixed and floating charges following the sale of the Property.

It is uncertain whether any distributions will be made to the Secured Creditor from any future realisations achieved in the Liquidation as this will depend on the extent to any realisations derived from the claims detailed in section 3 above.

4.2 Preferential Creditors

The Company did not employ any staff and therefore no Preferential Creditor claims are expected.

4.3 Unsecured Creditor

As at the Appointment Date, the Company's records indicated Unsecured Creditors totalling £3,188,693, claims received to date total £1,310,708.

It is currently uncertain whether there will be sufficient realisations to enable a distribution to be made to Unsecured Creditors, this will be driven by the outcome of the claims detailed in section 3 above and the overall costs of the Liquidation.

If not already done so, Creditors of the Company should complete the appropriate Proof of Debt form at Appendix 5 and return it to the Joint Liquidators at MBIGroup@kroll.com or Kroll Advisory Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

5. Costs and Expenses

5.1 Joint Liquidators' Remuneration

Approval of the Joint Liquidators' fee estimate totalling £142,689 was sought and received from the Creditors' Committee in June 2020. The requests also sought the approval of 75% of the updated fee estimate with the balance of the 25% to be voted on by Creditors at the end of the Liquidation should sufficient funds be available.

Time has been charged in six-minute units. Further details are shown at Appendix 3.

Time costs incurred by the Joint Liquidators in the Reporting Period total £8,501, representing 20 hours at an average hourly rate of £418.

Time costs incurred by the Joint Liquidators in the Cumulative Period total £63,458, representing 214 hours at an average hourly rate of £296, and £55,184 of specialist investigations time, representing 130 hours at an average hourly rate of £424.

In accordance with SIP 9, the Joint Liquidators have provided Creditors with additional information regarding major areas recorded below:

- Time costs of £3,423 have been incurred under the heading Statutory Matters. This relates to time involved in preparing and delivering statutory progress reports to the Company's Creditors, together with delivering the relevant notices to Companies House.
- Time costs of £2,212 have been incurred in Dealings with Creditors. This relates to time incurred in liaising with the Company's investors and other Creditors, responding to queries and maintaining up to date Creditor information on our internal records and case management system.

No remuneration has been drawn by the Joint Liquidators during the Reporting Period.

5.2 Expenses

Expenses are any payments from the Liquidation which are neither a Liquidator's remuneration nor a distribution to a Creditor or Member. Expenses also include disbursements. Disbursements are payments which are first met by the Liquidator and then reimbursed to the Liquidator from the Liquidation.

Expenses are divided into those that do not need approval before they are charged to the Liquidation (Category 1) and those that do (Category 2).

Category 1 Expenses are payments to persons providing the service to which the expense relates who are not an associate of the Liquidator.

Category 2 Expenses are payments to associates or which have an element of shared costs and require approval from Creditors in the same manner as the Liquidator's remuneration, whether paid directly from the estate or as a disbursement.

In the Reporting Period, no costs have been incurred in regard to Category 1 Expenses. In the same period, no Category 2 Expenses were incurred.

A detailed summary of these expenses are shown in Appendix 2.

6. Joint Liquidators' Receipts and Payments Account

A detailed Receipts and Payments account for the Reporting Period is shown in Appendix 1. Creditors will note that no payments have been made during the Liquidation.

7. Creditors' Rights

Information regarding the fees and expenses of Liquidators, including the rights to challenge such costs, are attached at Appendix 4.

8. Creditors' Committee

Following the invitations issued to creditors to form a Creditors' Committee, the Joint Liquidators received five nominations for committee members and the committee was duly constituted on 30 March 2020.

The Creditors Committee has since been reduced to four members following the withdrawal of one member.

The role of the Creditors' Committee amongst other things is (1) to represent the Unsecured Creditors and (2) agree the Joint Liquidators' remuneration.

The Joint Liquidators most recent meeting with the Creditors' Committee was held on 12 January 2022. Ahead of the meeting, sufficient resolutions were signed waiving the requirement for a meeting every 6 months and therefore there is no requirement to hold further meetings, unless requested by the Creditors' Committee.

No further meetings have been requested by the Creditors' Committee since 12 January 2022.

9. Conclusion

Creditors will receive formal reports annually until the conclusion of the Liquidation. The Joint Liquidators anticipate that the Liquidation process will continue during the next 12 months and this timeline is subject to the ongoing investigations and litigation.

In the meantime, if you require any further information, please contact Perry Eleftheriou of this office.



Robert Armstrong
Joint Liquidator

Appendix 1 - Joint Liquidators' Receipts and Payments Account

MBI Smithy Bridge Limited
(In Liquidation)
Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 08/01/2023 To 07/01/2024 £	From 08/01/2020 To 07/01/2024 £
	<u>NIL</u>	<u>NIL</u>
REPRESENTED BY		<u>NIL</u>

Appendix 2 – Analysis of Expenses Incurred

Joint Liquidators' Expenses: Category 1 and Category 2

Category 1 Expenses			Reporting Period		Cumulative Period	
Company	Activity	Fee Basis	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
Addleshaw Goddard	Legal advice on a security review of the charge registered at Companies House	Time costs	Nil	Nil	1,000	Nil
Courts Advertising Ltd	Statutory Advertising	As Incurred	Nil	Nil	371	Nil
Total Data Management Ltd	Storage Provided	As incurred	Nil	Nil	3	Nil
Total			Nil	Nil	1,373	Nil

Notes

The above costs exclude VAT.

The Joint Liquidators' choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and the basis of their fee.

Kroll Advisory Ltd, being the employer of the Liquidator and the staff working on the Liquidation, is considered an associate of the Liquidator.

It is considered that these expenses are fair and reasonable and proportionate to the Liquidation.

No Category 2 Expenses have been incurred.

Appendix 3 – Analysis of Time Charged

Joint Liquidators' Fees

Refer to the table below for a detailed breakdown on the Joint Liquidators' time and cost summary in accordance with SIP 9

111969 MBI SMITHY BRIDGE LIMITED

ANALYSIS OF LIQUIDATORS TIME COSTS FOR THE PERIOD 08/01/2023 to 07/01/2024

CVL-Creditors Vol Liquidation - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review & Case Diary management	0.50	0.00	0.70	1.70	0.00	2.90	1,327.00	457.59
Statutory matters (Meetings & Reports & Notices)	0.00	1.00	2.90	3.70	0.00	7.60	3,422.50	450.33
Strategy planning & control (incl engagement financial control)	0.00	0.00	1.70	2.75	0.00	4.45	1,522.00	342.02
Creditors								
Dealings with creditors and employees	0.00	0.00	4.50	0.80	0.00	5.30	2,211.50	417.26
Non Pref Creditors / Employee claims handling	0.00	0.00	0.00	0.10	0.00	0.10	18.00	180.00
Total Hours:	0.50	1.00	9.80	9.05	0.00	20.35		417.74
Total Fees Claimed: £	392.50	440.00	5,175.00	2,493.50	0.00		8,501.00	

ANALYSIS OF LIQUIDATORS TIME COSTS FOR THE PERIOD 08/01/2020 to 07/01/2024

CVL-Creditors Vol Liquidation - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review & Case Diary management	2.20	3.20	0.70	8.95	0.00	15.05	5,241.50	348.27
Cashiering & accounting	2.00	4.10	0.00	4.90	0.00	11.00	3,564.00	324.00
Dealings w/ directors & management (inc associated updates/reporting)	0.00	0.00	0.00	0.30	0.00	0.30	75.00	250.00
IPS set up & maintenance	0.00	0.00	1.00	0.75	0.00	1.75	447.50	255.71
Statement of affairs	0.00	0.95	0.00	10.00	0.00	10.95	2,696.25	246.23
Statutory matters (Meetings & Reports & Notices)	0.00	6.75	6.30	36.25	0.00	49.30	14,508.00	294.28
Strategy planning & control (incl engagement financial control)	1.00	1.50	9.40	22.70	0.00	34.60	10,751.00	310.72
Tax Compliance / Planning	0.00	0.35	0.00	3.70	0.00	4.05	864.50	213.46
Creditors								
Creditors committee	1.70	0.00	2.50	29.10	0.00	33.30	10,006.50	300.50
Dealings with creditors and employees	0.00	0.00	13.40	28.10	0.00	41.50	11,470.50	276.40
Non Pref Creditors / Employee claims handling	0.00	0.00	0.00	0.40	0.00	0.40	78.00	195.00
Investigations								
CDDA & reports & Communication	0.00	0.00	0.00	1.50	0.00	1.50	375.00	250.00
Financial review and investigations (S238/239 etc)	0.00	0.00	0.00	1.70	0.00	1.70	425.00	250.00
Forensic Sales Ledger Investigation	0.00	0.00	1.50	0.00	0.00	1.50	892.50	595.00
Realisation of Assets								
Freehold and Leasehold Property	0.00	0.00	0.00	0.65	0.00	0.65	147.50	226.92
Hire Purchase and Lease Assets	0.00	0.00	0.00	0.10	0.00	0.10	23.50	235.00
Other Intangible Assets	0.00	0.00	2.70	0.00	0.00	2.70	1,188.00	440.00
Stock & Work In Progress	0.00	0.70	0.00	3.20	0.00	3.90	704.00	180.51
Total Hours:	6.90	17.55	37.50	152.30	0.00	214.25		296.19
Total Fees Claimed: £	4,312.50	6,811.75	18,441.50	33,892.50	0.00		63,458.25	

ANALYSIS OF TIME COSTS FOR THE PERIOD 08/01/2020 to 07/01/2024

Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
	0.00	67.90	2.70	0.00	59.65	130.25	55,184.25	423.68
Total Hours:	0.00	67.90	2.70	0.00	59.65	130.25		423.68
Total Fees Claimed: £	0.00	38,974.50	999.00	0.00	15,210.75		55,184.25	

Appendix 4 - Statement of Creditors' Rights

STATEMENT OF CREDITORS RIGHTS

Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)

Section numbers refer to Insolvency Act 1986

'Office-holder' is the current Administrator or Liquidator as applicable

Information for creditors on remuneration and expenses of liquidators

Information regarding the fees and expenses of Liquidators, including details of the Kroll' expenses policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "Liquidation: A Guide for Creditors on Insolvency Practitioner Fees". This can be viewed and downloaded from the Joint Liquidators' website at:

<https://www.kroll.co.uk/services/restructuring/corporate-restructuring-and-debt-advisory/creditor-guides-and-employee-fact-sheets>

(click on 'Liquidations'). Should you require a copy, please contact this office.

Creditors have the right to request information from the office-holder under rule 18.9

A secured creditor, an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question) or any unsecured creditor with the permission of the court may make a written request to the office-holder for further information concerning remuneration or expenses. Such a request must be made within 21 days of receipt of this report and a response will be provided within 14 days of receipt of the request.

Creditors have recourse to court, application to be made within 21 days of the office-holder giving reasons for not providing all the information requested or the expiry of the 14 days within which an office-holder must respond to a request.

Creditors have the right to challenge the office-holder's remuneration and expenses under rule 18.34

A secured creditor, an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or any unsecured creditor with the permission of the court, may make an application to court on the grounds that the remuneration charged or expenses incurred are excessive and/or that the basis fixed for the office-holder's remuneration is inappropriate. The application to court must be made no later than eight weeks after receipt of the Progress Report where the charging of the remuneration or the incurring of expenses in question occurs

Appendix 5 – Proof of Debt form

PROOF OF DEBT - GENERAL FORM

MBI Smithy Bridge Limited - Creditors' Voluntary Liquidation Company No. 08716061 Date of resolution for voluntary winding-up: 08 January 2020		
1.	Name of Creditor (If a company please also give company registration number)	
2.	Address of Creditor for correspondence	
	Contact telephone number of creditor	
	Email address of creditor	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest (please advise of any set off claimed)	
4.	Details of any documents by reference to which the debt can be substantiated (please attach)	
5.	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
9.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	DATE
	Position with or in relation to creditor Address of person signing (if different from 2 above)	
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Liquidator		Liquidator