

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

To the Registrar of Companies

Company Number

00664676

Name of Company

(a) Insert full name of
company

(a) WREXIN CONSTRUCTION COMPANY LIMITED

Limited

(b) Insert full name(s)
and address(es)

+We (b)

IBEST AND TLUKIC
ERNST & YOUNG LLP
No 1 CAMORE SQUARE
BIRMINGHAM, B4 6HQ

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986The Progress Report covers the period from 12 APRIL 2012
to 13 APRIL 2013

Signed



Date

11.6.13.

Presenter's name,
address and
reference
(if any)

WEDNESDAY



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19/06/2013

#298

COMPANIES HOUSE

TO ALL MEMBERS AND CREDITORS

10 June 2013

Ref Wrekin/CVL/IB/RM/MG
Direct line 0121 535 2461
Direct fax 0121 535 2448
Mark Gillingham
Email mgillingham@uk.ey.com

Dear Sir or Madam

Wrekin Construction Company Limited (In Creditors' Voluntary Liquidation) ("the Company")

I write to provide you with my first progress report in the Liquidation. The report covers the period from 12 April 2012 to 11 April 2013 and should be read in conjunction with the Joint Administrators' Statement of Proposals dated 27 April 2009 ("the Proposals") and our previous progress reports to creditors in the Administration.

The Company entered Administration on 10 March 2009 and Ian Best and Tom Lukic of Ernst & Young LLP, No 1 Colmore Square, Birmingham, B4 6HQ were appointed to act as Joint Administrators. The appointment was made by National Westminster Bank ("the Bank") under the provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

The Joint Administrators applied for, and were granted, an extension to the Administration order to 9 September 2012.

Subsequently and in accordance with the terms of the Proposals, on 12 April 2012 the Company moved from Administration to Creditors' Voluntary Liquidation ("the Liquidation") and Ian Best and Tom Lukic were appointed Joint Liquidators. Under the terms of the appointment, any act required or authorised to be done by the Joint Liquidators can be done by either of them.

Progress during the period of the report

Statutory duties

As required by the Company Directors Disqualification Act 1986, we have completed and submitted our report in the Liquidation on directors' conduct to the Insolvency Service.

This report provided an update on developments and matters that have arisen since our last report, which was submitted in the Administration.

Land and property

Whilst we investigated possible realisation strategies for the land at Whitchurch Road in Wellington, due to the restrictions on the title of the land, its 'green network' status prohibiting development in the short to medium term and the projected renovation costs, it was not possible to secure a sale. As a result the land was disclaimed as onerous property in December 2012.



INVESTOR IN PEOPLE

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited. A list of members' names is available for inspection at 1 More London Place, London SE1 2AF, the firm's principal place of business and registered office.

Debtors (contract)

Further to our last report, £63,577 was received in the Administration in respect of contract debtors and retentions. No additional amounts have been recovered in the Liquidation.

A final contract debtor has been identified where funds may still be due to the Company. In order to determine whether a balance is due to the Company, the debtor is required to compile a final account for the identified contract showing the total costs of completion. This process is underway and the Joint Liquidators will pursue the recovery of funds from this contract debtor if it is deemed to be in the interest of the creditors.

Distributions to creditors***Secured creditors***

The Bank was the sole secured creditor of the Company. The Bank's secured debt of £2.7 million (including post appointment interest) was fully repaid by the Company in the Administration.

Preferential creditors

All preferential claims against the Company were settled and paid in the Administration. A distribution of 100 pence in the pound totalling £400,325 has been paid.

Non-preferential creditors

A summary of the non-preferential creditor claims in the Liquidation is provided below.

Creditor	Balance £
Trade creditors	15,473,249
Pension Protection Fund (PPF)	25,142,606
HMRC	3,345,852
Redundancy Payments Office (RPO)	3,447,021
Employees (gross)	2,524,919
Total	49,933,647

We have received a final claim from each of the PPF (with respect to the pension deficit and unpaid levies), HMRC and the RPO, for the amounts as set out above.

With respect to trade creditors, we have, as far as is reasonably practical, reviewed and agreed the claims submitted. The balance due of £15.5 million comprises 738 separate claims, with the top 17 creditors by value representing 46% of the total trade creditor balance.

We are near completion with respect to our work of calculating and reviewing the unsecured claims of previous employees of the Company. Of the total balance, £2.0 million reflects the protective award that was determined by an Employment Tribunal in January 2010. The judgement ordered the Company to make a protective award in respect of all employees of all grades who were dismissed as redundant on or after 9 March 2009, with each employee being entitled to an award of 90 days pay.

We currently anticipate (on the basis that no further amounts are realised) the surplus available for non-preferential creditors will be in the region of £180,000 (pre the final costs of the Liquidation).

Once the debtor position has been confirmed a distribution of the surplus balance can be made

We plan to notify each creditor of their individual claim and likely distribution within the next three months. A dividend will be made shortly thereafter.

As previously commented, based on the anticipated surplus and the non-preferential creditor balance, the distribution to each creditor will be less than 1 pence in the pound.

Receipts and payments account

I enclose a receipts and payments account for the period from 12 April 2012 to 11 April 2013 at Appendix B.

Joint Liquidators' remuneration

The Liquidators' remuneration was fixed by the Liquidation Committee on the same basis as the Administration, being time properly spent by the Joint Liquidators and their staff in attending to matters arising in the Liquidation charged at the agreed PPF standard rates.

In the Liquidation period 12 April 2012 to 11 April 2013 we have incurred total time costs at PPF rates of £65,187. An analysis of time spent is attached at Appendix D.

Since the start of the Liquidation we have drawn total fees of £26,909. In line with the approved resolution that remuneration may be drawn as and when funds are available, the Liquidators will look to draw further fees as appropriate.

At Appendix D there is a statement of the Liquidators' policy in relation to charging time and disbursements.

Joint Liquidators' statement of expenses incurred

During the Liquidation period, we have incurred expenses totalling £210 plus VAT. The expenses can be summarised as follows:

Type of expense	Incurred (£)	Paid (£)	Outstanding (£)
Insurance bonding	210	-	210
Category 2 disbursements	-	-	-
Total	210	-	210

Creditors' rights to further information about, and challenge, remuneration and expenses

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if members consider the costs to be excessive. Further information is provided at Appendix C.

I will report to you again in either twelve months time or, if earlier, at such a point that the Liquidation is to be closed. Should you have any queries, please do not hesitate to contact my colleague Mark Gillingham on 0121 535 2461.

Yours faithfully
for the Company



I Best
Joint Liquidator

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|------------|---|
| Appendix A | Information about the Company and the Joint Liquidators |
| Appendix B | Joint Liquidators' receipts and payments account for the period from 12 April 2012 to 11 April 2013 |
| Appendix C | Creditors' rights to request further information regarding Liquidators' remuneration |
| Appendix D | Joint Liquidators' policy on fees and disbursements and time costs for the period from 12 April 2012 to 11 April 2013 |

I Best and T Lukic are licensed in the United Kingdom to act as Insolvency Practitioners by The Institute of Chartered Accountants in England & Wales.

We may collect, use, transfer, store or otherwise process (collectively, "Process") information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in accordance with applicable law and professional regulations including (without limitation) the Data Protection Act 1998.

Wrekin Construction Company Limited (In Creditors' Voluntary Liquidation) ("the Company")**Information about the Company and the Joint Liquidators**

Registered office address of the Company	c/o Ernst & Young LLP, No 1 Colmore Square, Birmingham, B4 6HQ
Registered number	00664676
Full names of the Joint Liquidators	Ian Best and Tom Lukic
Joint Liquidators' address	Ernst & Young LLP, No 1 Colmore Square, Birmingham, B4 6HQ
Date of appointment of the Joint Liquidators	12 April 2012
Details of any changes of Liquidator	None

Wrekin Construction Company Limited (In Creditors' Voluntary Liquidation) ("the Company")**Joint Liquidators' receipts and payments account for the period from 12 April 2012 to 11 April 2013**

	12 April 2012 to 11 April 2013 £
Receipts	
Transfer from Administration	209,999 33
Other debtors (1)	1,593 71
Interest income - floating	706 26
	<u>212,299.30</u>
Payments	
Public notices	156 60
Other professional fees (2)	511 00
Storage charges	3,935 74
Joint Liquidators' fees	26,909 00
Insurance	167 48
VAT receivable	359 52
	<u>32,039 34</u>
Balances in hand	<u>180,259 96</u>

Notes

- 1 Other debtors comprises of reimbursements and refunds received
- 2 Other professional fees relate wholly to services provided by VPS (UK) Limited for the fortnightly inspection of the property at Whitchurch Road in Wellington. As the land has been disclaimed as onerous property, this service has now been cancelled

Receipts and payments are stated net of VAT

The balance in hand is held solely in an interest bearing account

Creditor's rights to request further information about remuneration or expenses or to challenge a liquidator's remuneration – Rules 4.49E and 4.131 of the Insolvency Rules 1986 (as amended)

4.49E Creditors' request for further information

- (1) If—
- (a) within the period mentioned in paragraph (2)—
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii)(b) with the permission of the court upon an application made within the period mentioned in paragraph (2)—
 - (2)—
 - (i) any unsecured creditor, or
 - (ii) makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108
- (2) The period referred to in paragraph (1)(a) and (b) is—
- (a) 7 business days of receipt of the progress report where it is required by Rule 4.108, and
 - (b) 21 days of receipt of the report or draft report in any other case
- (3) The liquidator complies with this paragraph by either—
- (a) providing all of the information asked for, or
 - (b) so far as the liquidator considers that—
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,giving reasons for not providing all of the information
- (4) Any creditor, who need not be the same as the creditors who asked for the information, may apply to the court within 21 days of—
- (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
- and the court may make such order as it thinks just
- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4.131(1B) or 4.148C(2) by such further period as the court thinks just
- (6) This Rule does not apply where the liquidator is the official receiver

4 131 Creditors' claim that remuneration is or other expenses are excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that—

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
- (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

(3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
- (b) an order fixing the basis of remuneration at a reduced rate or amount,
- (c) an order changing the basis of remuneration,
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
- (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation.

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Wrekin Construction Company Limited (In Creditors' Voluntary Liquidation) ("the Company")

Joint Liquidators' charging policy for remuneration

The Liquidators Committee has determined that the Liquidators' remuneration should be fixed on the basis of time properly spent by the Liquidators and their staff in attending to matters arising in the Liquidation, subject to the following modifications by the Pension Protection Fund ("PPF")

"the chargeout rates should not exceed those shown in the agreed Ernst & Young PPF notional standard rates"

The Liquidators have engaged a manager and other staff to work on the cases. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Liquidators.

All time spent by staff working directly on case-related matters is charged to a separate time code established for each case. Each member of staff has a specific hourly rate. The average hourly rate for each category of staff over the period is shown below, as are the current hourly rates used. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by this report.

Joint Liquidators' time costs for the period from 12 April 2012 to 11 April 2013

Classification of work function	Hours				Total hours	Total time costs	Total average hourly rate
	Partner / director	Manager	Other senior professionals	Assistants & support			
Accounting & administration	-	28 00	24 00	36 60	88 60	14 296 50	161 36
Bank & statutory reporting	0 30	16 00	1 50	7 20	25 00	5,162 50	206 50
Creditors	5 30	28 50	19 40	172 70	225 90	27 587 50	122 12
Debtors	3 40	6 00	-	-	9 40	2,911 00	309 68
Employee matters	-	-	-	46 20	46 20	4,449 00	96 30
Investigations & CDDA	2 50	2 50	-	13 50	18 50	3,215 00	173 78
Other assets	-	-	-	0 80	0 80	92 00	115 00
Property	0 70	6 00	5 70	4 00	16 40	3 048 50	185 88
Statutory duties	1 20	6 50	-	8 00	15 70	3,043 00	193 82
VAT & taxation	0 30	1 00	2 60	5 60	9 50	1 382 50	145 53
Total hours	13 70	94 50	53 20	294 60	456 00	65,187 50	142 96
Total time costs (£)	6,685 50	23,625 00	7,493 00	28,384 00			
Average hourly rate (£)	415 00	250 00	140 85	96 35			

Category 1 expenses (£)	210 00
Category 2 expenses (£)	-
Expenses total (£)	210 00

Job Title	PPF Rates (£)
Intern	30
Staff	85
Treasury	95
Industrial Placement Student	95
Analyst	115
Assistant Executive	140
Executive	185
Manager	250
Assistant Director	290
Director	350
Partner	415