

**R.126 (2)(b)/
R.1.54**

Notice to Registrar of Companies of
Supervisor's Abstract of Receipts
And payments

**Pursuant to Rule 1.26(2)(b) or Rule
1.54 of The Insolvency Act 1986**

Voluntary Arrangement's Supervisor Abstract of Receipts and Payments

To the Registrar of Companies

Name of Company

Company Number

Brighthouse Construction Limited**02927363**

We

Philip Pierce
2 Whitehall Quay
Leeds LS1 4HG

Simon Bower
5 Old Bailey
London EC4M 7AF

Supervisors of the voluntary arrangement approved on

15 October 2008

present overleaf our abstract of receipts and payments for the period:

15 October 2008 to 14 October 2009

Number of Continuation sheets is (any) attached: 2



Dated: 09 December 2009

Baker Tilly Restructuring and Recovery LLP
2 Whitehall Quay
Leeds LS1 4HG

Ref:



A44

AXZCSFPE

11/12/2009

2

COMPANIES HOUSE

For Official Use

Insolvency Sect

Post Room

RECEIPTS

Bank Interest Net
Contributions
Interest Income

Amount £

9.88
100,000.00
159.73

Total Receipts

100,169.61

PAYMENTS

	Amount £
Costs: Joint Supervisors' Disbursements	(1,621.11)
Costs: Nominees' Disbursements	(1,838.26)
Fees: Joint Supervisors' Fees	(57,500.00)
Fees: Nominees' Fee	(10,000.00)
Legal Disbursements	(1.00)
Legal Fees	(10,000.00)
Postage	(700.28)
VAT Inputs	(12,249.10)
Total Payments	(93,909.75)

Our ref: PEP/JC/RDT/PBRIGHO/
Your ref:



**TO ARRANGEMENT CREDITORS
TO THE COURT
TO THE COMPANY
TO THE AUDITOR**

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A44

11/12/2009
COMPANIES HOUSE

56

11 December 2009

Dear Sirs

**BRIGHOUSE CONSTRUCTION LIMITED IN LIQUIDATION (the Company)
COMPANY VOLUNTARY ARRANGEMENT (the CVA)
LEEDS COUNTY COURT No 831 of 2008**

I am writing as Joint Supervisor of the Company's Voluntary Arrangement in accordance with Rule 1.26 of the Insolvency Rules 1986 to provide my annual report on the progress and efficacy of the Arrangement.

A copy of the report has been filed in Court and with the Registrar of Companies.

The Arrangement

As I reported to creditors on 27 May 2009 I have issued a certificate of non-compliance in relation to the CVA and it has therefore failed. A meeting of creditors was held on 16 June 2009. I reported to the meeting the background to the failure of the Arrangement and details were also provided to creditors in my subsequent letter dated 23 June 2009. At the meeting it was resolved that the Company be placed into Creditors Voluntary Liquidation (CVL).

At subsequent meetings of members and creditors also held on 16 June 2009 it was resolved that the Company be wound up and that Russell Cash and Simon Bower of Baker Tilly Restructuring and Recovery LLP be appointed Joint Liquidators of the Company.

The CVA was to remain open until it becomes known whether any realisations can be expected from the assets held in Trust for CVA creditors, which in this case relates to any realisations from intercompany debtors principally from Brighthouse Homes Limited (Homes).



Receipts and payments

I attach at Appendix A the Joint Supervisors' receipts and payments account drawn up to the anniversary of the approval of the CVA, showing funds in hand of £6,259.86.

Prior to the failure I had received four monthly contributions of £25,000 from the Company.

Following the failure of the CVA there remains to be received any amounts realised in respect of the inter group balances, principally from Homes. These were estimated to realise £1,368,000 at the time of the CVA. However, following the economic downturn which has affected the construction sector in particular, both the extent and timing of realisations from the properties owned by Homes and its subsidiaries are uncertain at the current time. Any recoveries from the book and intercompany debts in the Liquidation will firstly go to satisfy The Royal Bank of Scotland under its charges.

Creditors' claims

Secured

Amounts due to the secured creditor, The Royal Bank of Scotland plc will be dealt with by the Liquidator from assets subject to its security. The secured creditor does not form part of the CVA.

Preferential

The claims of preferential creditors (comprising arrears of holiday pay) which currently stand at £16,294 will be agreed once dividend prospects are clearer. This compares to the estimated amount placed on this class of claim in the directors' Proposal of £9,484.

Non preferential

Claims totalling £3,947,206 have been received from unsecured creditors, to date. Further potential claims were identified in the directors' Proposal with an aggregate statement of affairs value of £1,673,584. These further potential creditors have been invited to submit proofs, but have not to date done so. This total of £5,620,790 compares to the estimated amount placed on this class of claim in the directors' Proposal of £4,518,912.

The above includes claims received from connected companies of £236,819.

In view of the current uncertainties concerning the extent and timing of a dividend, claims received have not been formally admitted at this stage.



Estimated outcome for non preferential creditors

In view of the uncertainty concerning likely asset realisations it is not possible to predict the final outcome of the CVA at this stage and whether or not there is any prospect of a return to the unsecured creditors.

Matters preventing conclusion of the CVA

The principal outstanding matters in the CVA are:

- Receipt of any realisations due from the Trust assets.
- Payment of the outstanding costs of the CVA.
- Receipt of any outstanding unsecured claims and agreement of all unsecured creditors' claims
- Payment of any dividend to unsecured creditors.

Other matters

The liquidators will report separately to unsecured creditors on their progress with the CVL, in realising the Company's assets and agreement of claims (as appropriate) following the anniversary of the liquidation in mid-2010.

Nominees' fees

My firm was paid £30,000 by the Company on account of the time costs of work carried out prior to the CVA including assessing the Company's financial position and assisting the directors in the preparation of the Proposal.

The basis of the Nominees' fees was dealt with in the Nominees report at paragraph 28 and Proposal Paragraph 17.6. The Nominees' fees of £10,000 excluding VAT by way of remuneration to the Nominee related to reporting to Court on the Proposal and in calling and chairing the meeting of creditors.

The company had not paid this £10,000 Nominees fee prior to the approval of the CVA and this has been drawn from CVA funds.

My disbursements were dealt with in the proposal at paragraph 17.11 and as Nominee amounted to £1,838.26 in respect of our insolvency bond and actual postage charges. These have been reimbursed out of arrangement funds



Joint Supervisors' costs

The basis of the Supervisor's remuneration was dealt with in the Proposal at paragraphs 17.8 to 17.10 inclusive.

Our aggregate time costs to the anniversary for acting as Joint Supervisors are evaluated at £84,967.50 representing 491.8 hours. Joint Supervisors' fees of £57,500 plus VAT were drawn up to the date of the anniversary; no fees have been subsequently drawn. Therefore at the anniversary we had £27,467.50 of unbilled work in progress in relation to the arrangement.

The Joint Supervisors' total costs for the entire arrangement were estimated in the proposal at £80,000. However, as a result of the Company's non-compliance and the subsequent meetings held with the Company's director, RBS, liaising with creditors and the ultimate summoning of a meeting of creditors to determine the creditors views as to the next step in the CVA, further details of which were given at the meeting on 16 June 2009 and also discussed above, I now expect that our total costs are more likely to be in the order of £100,000.

A tabulation of the total time spent analysed by grade of staff and by activity, together with details of current charging rates, is attached at Appendix B, which follows the format notified in the best practice guidelines. The notes accompanying the Appendix comprise an integral part of that table and should be read in conjunction with it.

We have also incurred disbursements, in accordance with paragraph 17.11 of the Proposal, of £1,625.61 (including Category 2 disbursements of £0) which has been drawn from CVA funds. A detailed analysis is provided at Appendix B.

Other professional costs

Walker Morris, Solicitors, have been retained as legal advisors in view of their general experience and expertise in these matters. Their remuneration has been agreed on the basis of their standard hourly charge-out rates, plus VAT and disbursements. Agreed fees of £10,000 have been paid to date which covers the following:

- assistance to the Nominee in drafting the Proposal
- advising to the Supervisor concerning the Company's adherence to its terms,
- the subsequent convening of the meeting of creditors on 16 June 2009, and
- advising on the Arrangement and its terms generally.



Conclusion

At the current time the CVA dividend prospects are uncertain, and it may be sometime before the position is any clearer. I will report to creditors again if I become aware of any information which clarifies the position with more certainty or I will provide a further statutory annual report in 12 months time if this is earlier.

If you have any queries on the contents of this report, please do not hesitate to contact either Joint Supervisor at this address.

Yours faithfully

Phillip E Pierce
Baker Tilly Restructuring and Recovery LLP
Joint Supervisor

Philip Pierce and Simon Bower are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales

CVAS0670



Appendix A

Receipts and Payments Abstract: PBRIGHO - Brighthouse Construction Limited Company Voluntary

All CVA Sup Bank, Cash and Cash Investment Accounts: To: 14/10/2009

CVA Outcome £		£	£
ASSET REALISATIONS			
1,368,000	Amounts Owed By Group	0.00	
unknown	Cathedral Court Blackburn	0.00	
1,500,000	Contributions	100,000.00	
	Interest Income	<u>169.61</u>	
			100,169.61
COST OF REALISATIONS			
	Joint Supervisors' Disbursements	(1,621.11)	
	Joint Supervisors' Fees	(57,500.00)	
	Legal Disbursements	(1.00)	
	Legal Fees	(10,000.00)	
	Nominees' Disbursements	(1,838.26)	
	Nominees' Fee	(10,000.00)	
	Copying and Postage	(700.28)	
	VAT Receivable (Payable)	<u>(12,249.10)</u>	
			(93,909.75)
PREFERENTIAL CREDITORS			
-9,484	Holiday Pay	<u>0.00</u>	
			0.00
UNSECURED CREDITORS			
-349,319	Amounts Owed to Group Undertakings	0.00	
-86,874	Associated Creditors	0.00	
-50,022	Employees	0.00	
-141,947	HM Revenue and Customs	0.00	
-95,000	Lease Termination Costs	0.00	
-3,795,750	Trade and Expense Creditors	<u>0.00</u>	
			0.00
-1,660,396			<u>6,259.86</u>
REPRESENTED BY			
	Current A/c	<u>6,259.86</u>	
			<u>6,259.86</u>
			<u>6,259.86</u>

The above is stated net of VAT

Brighouse Construction Limited
Joint Supervisors' time costs in accordance with Statement of Insolvency Practice 9

Summary of Time Costs and Charge-out Rates

	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average hourly rate
Administration and Planning	19.80	67.80	111.70	18.10	217.40	34,077.00	156.75
Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	1.90	3.50	0.00	5.40	742.50	137.50
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	36.90	88.90	131.60	0.60	258.00	47,112.50	182.61
Case Specific Matters	3.40	7.60	0.00	0.00	11.00	3,035.50	275.95
Total Hours	60.10	166.20	246.80	18.70	491.80		
Total Time Costs	21,779.00	37,245.50	24,871.50	1,071.50		84,967.50	

Total fees claimed

84,967.50

Less billed on account

(57,500.00)

Unbilled work in progress

27,467.50

Disbursements

	Nominee Paid	Paid	Supervisor Unpaid	Total
Bonds	720.00	720.00		720.00
Printing and postage (external)	1,037.35	295.50		295.50
Postage		206.49		206.49
Meeting room		250.00		250.00
Company search		4.50		4.50
Storage		1.86		1.86
Phone		19.36		19.36
Travel	6.81	123.40	4.50	127.90
Category 2				0.00
Mileage	74.10	0.00		0.00
	<u>1,838.26</u>	<u>1,621.11</u>	<u>4.50</u>	<u>1,625.61</u>





Appendix B Cont'd

Brighthouse Construction Limited

Joint Supervisors' time costs in accordance with Statement of Insolvency Practice 9

Summary of Time Costs for "Administration and Planning"

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Appointment	0.0	11.8	47.0	0.0	58.8	£6,927.50
Case Management	3.7	20.7	23.8	18.1	66.3	£9,253.00
Pension Scheme	0.2	0.2	5.5	0.0	5.9	£610.00
Post-appointment - general	2.1	0.8	1.3	0.0	4.2	£1,048.00
Tax	0.0	0.0	3.0	0.0	3.0	£270.00
Receipts and Payments	0.1	0.9	18.1	0.0	19.1	£2,143.50
Shareholders/Director/Debtor/ Bkpt	13.7	33.4	13.0	0.0	60.1	£13,825.00
Totals	19.8	67.8	111.7	18.1	217.4	£34,077.00

Summary of Time Costs for "Realisation of Assets"

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Assets - general/other	0.0	1.9	0.0	0.0	1.9	£427.50
Debtors & sales finance	0.0	0.0	1.0	0.0	1.0	£90.00
Land and Property	0.0	0.0	1.5	0.0	1.5	£135.00
ROT/ Third Party Assets	0.0	0.0	1.0	0.0	1.0	£90.00
Totals	0.0	1.9	3.5	0.0	5.4	£742.50

Summary of Time Costs for "Creditors"

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
1st creditors/shareholders meetings and reports	0.0	2.0	10.0	0.0	12.0	£1,350.00
Employees	0.9	11.3	21.7	0.0	33.9	£5,304.00
Other Creditor Meetings and Reports	7.8	36.6	14.5	0.0	58.9	£13,010.00
Preferential Creditors	0.0	0.0	1.0	0.0	1.0	£90.00
Secured Creditors	26.1	11.1	1.6	0.0	38.8	£12,289.50
Shareholders/Director/Debtor/ Bkpt	0.0	0.8	0.0	0.0	0.8	£180.00
Unsecured Creditors	2.1	27.1	82.8	0.6	112.6	£14,889.00
Totals	36.9	88.9	131.6	0.6	258.0	£47,112.50

Summary of Time Costs for "Case Specific Matters"

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Legal Matters	3.4	7.6	0.0	0.0	11.0	£3,035.50
Totals	3.4	7.6	0.0	0.0	11.0	£3,035.50



BAKER TILLY RESTRUCTURING AND RECOVERY LLP

CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the estate is charged to the estate.
- Time is recorded in 6-minute units.
- The current charge rates for Leeds are attached
- Time billed is subject to Value Added Tax (VAT) at the applicable rate.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an estate are re-charged to the estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the estate require disclosure to creditors, but do not require creditors' approval prior to being drawn from the estate. These are known as "Category 1" disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) require the approval of creditors prior to being drawn from the estate. These are known as "Category 2" disbursements.
- A resolution to consider approving "Category 2" disbursements at the attached rates applicable to Leeds will be proposed to creditors in general meeting.
- General office overheads are not re-charged to the estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of creditors.
- Where applicable, expenses and disbursements re-charged to or incurred directly by an estate are subject to VAT at the applicable rate.



BAKER TILLY RESTUCTURING AND RECOVERY LLP

LEEDS OFFICE

CURRENT BUSINESS RECOVERY CHARGE OUT RATES

	£
Partner	370
Associate Director	240-360
Manager	150-240
Administrator	100-120
Support staff	50-80

It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.

Baker Tilly Restructuring and Recovery LLP's charge out rates are reviewed periodically.

"CATEGORY 2" DISBURSEMENTS

Authority to recover the following costs as "Category 2" was sought at the first creditors' meeting.

Photocopying	10 pence per sheet
Subsistence	£23 per night
Travel (car)	38 pence per mile

Our Ref: RDT/JC/PEP/PBRIGH/31



TO ALL KNOWN CREDITORS

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www.bakertilly.co.uk



A04 11/08/2009 326
COMPANIES HOUSE

23 June 2009

Dear Sir

**Brighthouse Construction Limited ("the Company")
Company Voluntary Arrangement
Leeds Court No 831 of 2008**

I refer to the meeting of creditors held on 16 June 2009 notified in my letter dated 27 May 2009 informing you that I had issued a certificate of non-compliance in relation to the Company's Voluntary Arrangement ("CVA") and as such the arrangement had therefore failed.

The purpose of the meeting was to determine whether the Joint Supervisors should proceed with a petition to wind up the Company ('Comp'), or whether a Creditors' Voluntary Liquidation ('CVL') was more appropriate. The resolutions considered were as follows:

1. That resolutions should be passed to place the Company into a Creditors' Voluntary Liquidation.
2. The Supervisor is requested to petition for the compulsory winding up of the company.

I enclose a copy of my report together with my receipts and payments account which was circulated at the meeting.

At the meeting the CVA creditors resolved that a CVL was the most appropriate route, with 87% of those creditors voting in favour of a CVL and only 13% in favour of a Comp. I enclose a copy of the Chairman's report and minutes of the meeting and confirm I have filed a report on the meeting in Court and at the Registrar of Companies

The Company director had also convened meetings of members and creditors to commence a CVL for 16 June 2009 at 2.30pm. At these meetings it was resolved that the Company be wound up and Russell Cash and Simon Bower of Baker Tilly Restructuring and Recovery LLP were appointed Joint Liquidators of the Company. The Joint Liquidators will write to you under separate cover from our Manchester office regarding your claim in the liquidation.

The CVA will remain open until it becomes known whether any realisations can be expected from the assets held on Trust for the CVA creditors (which in this case relates to any

realisations from the intercompany debts). I will update creditors further when the position concerning the amounts due from the Trust assets is clearer.

In the meantime, should you have any queries regarding this matter then please contact Ross Taylor of this office.

Yours faithfully

A handwritten signature in black ink, appearing to be 'P E Pierce', with a stylized flourish at the end.

P E Pierce
Baker Tilly Restructuring and Recovery LLP
Joint Supervisor

Philip Pierce and Simon Bower are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

THE INSOLVENCY ACT 1986

BRIGHOUSE CONSTRUCTION LIMITED

COMPANY VOLUNTARY ARRANGEMENT

CHAIRMAN'S REPORT TO COURT

I, Philip Edward Pierce of Baker Tilly Restructuring and Recovery LLP, 2 Whitehall Quay, Leeds, LS1 4HG, as Joint Supervisor and Chairman of the meeting, hereby report to the Court, as follows, following general meetings of creditors held on 16 June 2009 at 11:00am.

1. In accordance with the powers conferred on me by paragraph 29.1 of the Standard Conditions which form part of the company's Proposal, a report dated 27 May 2009 was circulated to creditors to canvass their opinion upon whether the Supervisor should petition with the winding up of the company following a certificate of non-compliance being issued.

2. The resolutions placed before the meetings were follows:

Resolution 1

"That resolutions should be passed to place the Company into a Creditors' Voluntary Liquidation."

Resolution 2

"The Supervisor is requested to petition for the compulsory winding up of the company."

3. Creditors voting in person or by proxy voted as follows:

87% of the creditors voting voted in favour of resolution 1, which was passed.

Only 13% of the creditors voting voted in favour of resolution 2, and this was not therefore passed.

4. The minutes of the meeting is attached hereto, along with a list of creditors (with their respective values) who were present or represented at the creditors' meeting (Appendix 1) showing how each creditor voted on the resolution.
5. Accordingly resolution 1 was approved.



.....
P E Pierce
Chairman

BRIGHOUSE CONSTRUCTION LIMITED
COMPANY VOLUNTARY ARRANGEMENT

MINUTES OF THE MEETING OF CREDITORS

Held on: 16 June 2009 At: 11.00am

At: Baker Tilly Restructuring and Recovery LLP, 9th Floor, 3 Hardman Street
Manchester, M3 3HF

Present: P E Pierce - Chairman
J Conibear - Baker Tilly Restructuring and Recovery LLP
R Brighouse - Director

Various creditors and proxy-holders, as indicated on the attached attendance list and proxy register

OPENING THE MEETING

Philip Edward Pierce introduced himself, opened the meeting and explained that he was the Chairman of the meeting and introduced the top table.

REPORT

The Chairman explained the purpose of the meeting and briefly went through the Joint Supervisors' Report, and the receipts and payments account, drawing various matters to the attention of the creditors.

The Chairman explained that the purpose of the meeting was to consider, and if the creditors saw fit, to approve whether he should petition for the winding up of the company or whether the Director should proceed with the necessary resolutions for a Creditors' Voluntary Liquidation. Notice of this meeting had been given to all persons bound by the arrangement


After the conclusion of the report, the creditors were given the opportunity of putting questions. The points raised were as shown on the attached schedule.

RESOLUTIONS

The resolutions dealing with the issue shown on the attached sheet were put before the meeting. Resolution 1 was formally approved by the requisite majorities as shown on the voting register. Resolution 2 was not passed.

There being no further business, the meeting was then terminated.

Dated: 16 June 2009



P E Pierce
Chairman
CVAS0890

Brighouse Construction Limited
Supervisors' meeting of creditors
following issue of a Certificate of non-compliance.
Held on 16 June 2009
At 11.00am

BACKGROUND

The Company's Proposals for a Voluntary Arrangement were prepared in September 2008 as the Company came under financial pressures due to problems arising in respect of a contract with Cathedral Court (Blackburn) Limited (Cathedral Court). These difficulties were exacerbated by funds generated in the past being used as working capital for other group activities.

In summary, under the CVA it was anticipated that the Company would pay monthly contributions of £25,000 for 5 years and also pay £1,368,000 following the repayment of intergroup loan accounts from Brighouse Homes Limited (Homes). Any sums realised from Cathedral Court would also be paid to the Supervisor for the CVA creditors. Some rationalisation of activities and costs was anticipated but the Company was to continue trading.

The CVA was approved by creditors and members at meetings held on 15 October 2009, with a modification that the Supervisor was to review the Company's performance and report to creditors in respect of any material developments.

It became apparent however that the downturn in the UK economy was far more aggressive than was anticipated at the time the CVA was prepared, with the construction sector being particularly affected. Cathedral Court went into administration on 30 October 2008 with no prospect of a return being likely for its unsecured creditors. The Company encountered a further bad debt with Taggart Homes going into administration and other major customers facing cashflow problems. This, together with the nervousness of suppliers and related credit insurance issues, put a strain on the Company's ongoing cash position in subsequent months to an extent greater than anticipated in the CVA.

In early January 2009 the Supervisor met with Russ Brighouse, the Company's director, to obtain an update on the Company's trading position as part of the Supervisors' regular monitoring of the CVA. By this time the Company was behind with 2 monthly contributions. Following Mr Brighouse's update the view was taken that the CVA should be allowed to continue to enable the Company's trading position to settle down and to give the main aims of the CVA a chance to succeed as this would be to the benefit of the CVA creditors. Further updating information was sought on the position of Homes. When received this indicated that Homes would not be in a position to make the repayments to the Company as early as anticipated in the CVA. However, on the basis of information received, the Supervisor felt it appropriate to allow the CVA to continue.

The Supervisor issued a report to Creditors on 20 March 2009 to update them on this material development and progress generally with the CVA.

The Supervisor subsequently received a letter from HM Revenue and Customs (HM R&C) concerning certain ongoing tax compliance issues and also the arrears of post-CVA PAYE debts which had not been paid by the Company. Mr Brighthouse confirmed that the Company had contacted HM R&C helpline requesting time to pay these liabilities because of ongoing debtor collection issues which were affecting the company's cash position. Other tax compliance issues were in the process of or had been remedied.

In early April 2009, the Company's bankers (RBS) sought an update meeting with the Supervisor to discuss the CVA's progress. In advance of this meeting the Supervisor met with Mr Brighthouse to obtain an update on the Company's position. Mr Brighthouse highlighted that whilst the Company was trading steadily albeit at a reduced level there were a number of debt collection issues and substantial arrears due to HM R&C and as a consequence its cash flow position was tight.

The meeting with RBS was held in late April 2009. Reductions in the Company's bank facilities agreed at the outset of the CVA with RBS had not been implemented by them. Following this meeting, RBS wrote to the Company seeking to immediately reduce its facilities by £20k that week with a further £20k reduction the following week. Mr Brighthouse believed that the Company could not survive on this reduced facility level and indicated he was therefore considering the position and approaching another party with a view to seeking additional funding.

The Company's major remaining contract was completed shortly after this. Having considered the Company's position further and its likely facilities and with additional funds not being forthcoming, Mr Brighthouse formed the view that it was not appropriate for the Company to continue in the current difficult economic circumstances it found itself in and informed the Supervisor accordingly.

The Company was now three contributions in arrears and given that it was now clear that the implementation of the CVA was impossible, the Supervisor signed a formal Certificate of Non Compliance dated 11 May 2009 addressed to the Company.

A review of the Company's financial circumstances was made and it was considered to be in creditors' best interests for a CVL to be considered as well as the Compulsory Liquidation envisaged in the CVA.

Brighouse Construction Limited
Company Voluntary Arrangement

Joint Supervisors' Abstract Of Receipts And Payments
To 16 June 2009

Statement of Affairs Value	Asset Realisations	£	Total £
£			
1,368,000	Amounts Owed By Group	0.00	
1,500,000	Contributions	100,000.00	
	Interest Income	160.17	
<u>2,868,000.00</u>			<u>100,160.17</u>
	Cost of Realisations		
	Joint Supervisors' Disbursements	1,168.92	
	Joint Supervisors' Fees	47,500.00	
	Legal Disbursements	1.00	
	Legal Fees	10,000.00	
	Nominees' Disbursements	1,838.26	
	Nominees' Fees	10,000.00	
	Postage	324.47	
	VAT Irrecoverable	10,624.90	
			<u>81,457.55</u>
	Preferential Creditors		
(9,484)	Holiday Pay	0.00	
			<u>0.00</u>
	Unsecured Creditors		
(349,319)	Amounts Owed to Group Undertakings	0.00	
(86,874)	Associated Creditors	0.00	
(50,022)	Employees	0.00	
(141,947)	HM Revenue & Customs	0.00	
(95,000)	Lease Termination Costs	0.00	
(3,795,750)	Trade and Expense Creditors	0.00	
<u>(1,660,396)</u>			<u>0.00</u>
	Represented by Funds in Hand		<u>18,702.62</u>

Note: All figures above are stated net of VAT

Resolution Voting Summary by Proxyholder

Brighthouse Construction Limited Company Voluntary Arrangement

CVA failure held at Baker Tilly Manchester on 16 June 2009 at 11:00 AM

Type: Ordinary

Resolution: That resolutions should be passed to place the Company into a Creditors' Voluntary Liquidation.

Represented By	For	Against	Abstain	Unstated	Total
Alan Frank Hughes	0	0	0	0	0
Chairman	1,102,917	218,862	0	0	1,321,779
J P Malloy	62,461	0	0	0	62,461
Mike Wildman or chairman if absent	131,799	0	0	0	131,799
Steven Astbury or Andrew Smart	158,051	0	0	0	158,051
Value:	1,455,228	218,862	0	0	1,674,090
Value %:	86.93	13.07	0.00	0.00	100.00
Number:	43	4	0	0	47
Number %:	91.49	8.51	0.00	0.00	100.00

Type: Ordinary

Resolution: The Supervisor is requested to petition for the compulsory winding up of the Company.

Represented By	For	Against	Abstain	Unstated	Total
Alan Frank Hughes	0	0	0	0	0
Chairman	218,862	1,102,917	0	0	1,321,779
J P Malloy	0	62,461	0	0	62,461
Mike Wildman or chairman if absent	0	131,799	0	0	131,799
Steven Astbury or Andrew Smart	0	158,051	0	0	158,051
Value:	218,862	1,455,228	0	0	1,674,090
Value %:	13.07	86.93	0.00	0.00	100.00
Number:	4	43	0	0	47
Number %:	8.51	91.49	0.00	0.00	100.00

Type: Ordinary
Resolution: That resolutions should be passed to place the Company into a Creditors' Voluntary Liquidation.

Name	Class	Represented By	Claimed	Admitted	For	Against	Abstain	Unspecified	Memo
A1 CAD & Stationery Services Ltd	Unsecured Creditors	Chairman	1,849	1,849	1,849	0	0	0	
Acoustic Design & Control Ltd	Unsecured Creditors	Chairman	7,066	7,066	7,066	0	0	0	
Agathodis Beckmann	Unsecured Creditors	Chairman	940	940	940	0	0	0	
Anthony Oconnor & Sons Limited	Unsecured Creditors	Chairman	5,844	5,844	5,844	0	0	0	
Apollo Sealants	Unsecured Creditors	Chairman	3,174	3,174	3,174	0	0	0	
Ashton Tyres Specialists Limited	Unsecured Creditors	Chairman	2,801	2,801	2,801	0	0	0	
Bennett Architectural Aluminium Soluti	Unsecured Creditors	Chairman	64,601	64,601	64,601	0	0	0	
Billercay Glass Co Ltd	Unsecured Creditors	Chairman	1,352	1,352	1,352	0	0	0	
Brendeck Ltd	Unsecured Creditors	Chairman	85,912	85,912	85,912	0	0	0	
Brighthouse Construction (Manchester) Limited	Unsecured Creditors	Chairman	10,000	10,000	10,000	0	0	0	
Brighthouse Property	Unsecured Creditors	Chairman	86,874	86,874	86,874	0	0	0	
C & C Baseline Engineering Limited	Unsecured Creditors	Chairman	32,340	32,340	32,340	0	0	0	
Cheshire Demolition/Excavation	Unsecured Creditors	Chairman	3,300	3,300	3,300	0	0	0	
Ellis Hillman Partnership	Unsecured Creditors	Chairman	17,188	17,188	17,188	0	0	0	
Fitzjohn Painting Contractors	Unsecured Creditors	Chairman	35,068	35,068	35,068	0	0	0	
Forkers Limited	Unsecured Creditors	Chairman	112,126	112,126	112,126	0	0	0	
G. M. Services Ltd	Unsecured Creditors	Chairman	119,310	119,310	119,310	0	0	0	
HM Customs & Excise	Unsecured Creditors	Chairman	26,070	26,070	0	26,070	0	0	
HM Revenue & Customs	Unsecured Creditors	Chairman	182,376	182,376	0	182,376	0	0	
Hughes & Spragg	Unsecured Creditors	Alan Frank Hughes	28,626	0	0	0	0	0	
J and R Decor	Unsecured Creditors	Chairman	9,206	9,206	9,206	0	0	0	
J P R Roofing & Flooring Ltd	Unsecured Creditors	Chairman	4,944	4,944	4,944	0	0	0	
J T Salt Engineering Ltd	Unsecured Creditors	Chairman	13,587	13,587	13,587	0	0	0	
Kinder Roofing Ltd	Unsecured Creditors	J P Malloy	62,461	62,461	62,461	0	0	0	
Merlin Architecture Hardware	Unsecured Creditors	Chairman	149	149	149	0	0	0	
MSW Structural Floor System	Unsecured Creditors	Chairman	25,907	25,907	25,907	0	0	0	
Nassau Industrial Doors Ltd	Unsecured Creditors	Chairman	3,470	3,470	3,470	0	0	0	
NWF Fuels Limited	Unsecured Creditors	Chairman	2,085	2,085	2,085	0	0	0	
Permanent Flooring Limited	Unsecured Creditors	Chairman	2,273	2,273	2,273	0	0	0	
Potteries Fuels	Unsecured Creditors	Chairman	1,229	1,229	1,229	0	0	0	
Q Flooring Systems Limited	Unsecured Creditors	Chairman	334	334	334	0	0	0	
R. Dale Plant Hire	Unsecured Creditors	Chairman	43,075	43,075	43,075	0	0	0	
R. Heaton Scaffolding	Unsecured Creditors	Chairman	26,773	26,773	26,773	0	0	0	
Rainford Timber Co Ltd	Unsecured Creditors	Chairman	2,507	2,507	2,507	0	0	0	
Roberts Gardener Ltd	Unsecured Creditors	Chairman	21,286	21,286	21,286	0	0	0	
Roger Bullivant Ltd	Unsecured Creditors	Steven Astbury or Andrew Smart	158,051	158,051	158,051	0	0	0	

Type: Ordinary
Resolution: That resolutions should be passed to place the Company into a Creditors' Voluntary Liquidation.

Name	Class	Represented By	Claimed	Admitted	For	Against	Abstain	Unspecified	Memo
Roy Beech (Contractors) Ltd	Unsecured Creditors	Chairman	102,940	102,940	102,940	0	0	0	0
Security Services	Unsecured Creditors	Chairman	10,416	10,416	0	10,416	0	0	0
Shelford Design	Unsecured Creditors	Chairman	1,057	1,057	1,057	0	0	0	0
South Cheshire Services	Unsecured Creditors	Chairman	940	940	940	0	0	0	0
Survey Three Limited	Unsecured Creditors	Chairman	2,299	2,299	2,299	0	0	0	0
TC Interiors Limited	Unsecured Creditors	Chairman	13,479	13,479	13,479	0	0	0	0
TD Heating & Pipework	Unsecured Creditors	Chairman	226,819	226,819	226,819	0	0	0	0
Twintec Ltd	Unsecured Creditors	Mike Wildman or chairman if absent	131,799	131,799	131,799	0	0	0	0
UBU Environmental	Unsecured Creditors	Chairman	2,078	2,078	2,078	0	0	0	0
Uniqwin Uk Ltd	Unsecured Creditors	Chairman	4,973	4,973	4,973	0	0	0	0
Xtraweld Services Limited	Unsecured Creditors	Chairman	1,762	1,762	1,762	0	0	0	0
			1,702,716	1,674,090	1,455,228	218,862	0	0	0

Type: Ordinary

Resolution: The Supervisor is requested to petition for the compulsory winding up of the Company.

Name	Class	Represented By	Claimed	Admitted	For	Against	Abstain	Unspecified	Memo
Roy Beech (Contractors) Ltd	Unsecured Creditors	Chairman	102,940	102,940	0	102,940	0	0	0
Security Services	Unsecured Creditors	Chairman	10,416	10,416	10,416	0	0	0	0
Shelford Design	Unsecured Creditors	Chairman	1,057	1,057	0	1,057	0	0	0
South Cheshire Services	Unsecured Creditors	Chairman	940	940	0	940	0	0	0
Survey Three Limited	Unsecured Creditors	Chairman	2,299	2,299	0	2,299	0	0	0
TC Interiors Limited	Unsecured Creditors	Chairman	13,479	13,479	0	13,479	0	0	0
TD Heating & Pipework	Unsecured Creditors	Chairman	226,819	226,819	0	226,819	0	0	0
Twintec Ltd	Unsecured Creditors	Mike Wildman or chairman if absent	131,799	131,799	0	131,799	0	0	0
UBU Environmental	Unsecured Creditors	Chairman	2,078	2,078	0	2,078	0	0	0
Uniqwin Uk Ltd	Unsecured Creditors	Chairman	4,973	4,973	0	4,973	0	0	0
Xtraweld Services Limited	Unsecured Creditors	Chairman	1,762	1,762	0	1,762	0	0	0
			1,702,716	1,674,090	218,862	1,455,228	0	0	0