

LIQ03

Notice of progress report in voluntary winding up



Companies House

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refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 03884704

Company name in full Bovey Construction Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Malcolm

Surname Rhodes

3 Liquidator's address

Building name/number 2nd Floor Stratus House

Street Emperor Way

Post town Exeter Business Park

County/Region Exeter

Postcode EX13QS

Country

4 Liquidator's name ①

Full forename(s) Luke

Surname Venner

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 2nd Floor Stratus House

Street Emperor Way

Post town Exeter Business Park

County/Region Exeter

Postcode EX13QS

Country

② Other liquidator

Use this section to tell us about
another liquidator.

**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	Sam Hawkins
Company name	Bishop Fleming LLP
Address	2nd Floor Stratus House
	Emperor Way
Post town	Exeter Business Park
County/Region	Exeter
Postcode	E X 1 3 Q S
Country	
DX	
Telephone	01392 448800

**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

Joint Liquidators' Annual Progress Report to Creditors & Members

Bovey Construction Limited - In Creditors' Voluntary Liquidation

For the period from 25 October 2022 to 24 October 2023

BOVEY CONSTRUCTION LIMITED - IN LIQUIDATION

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BOVEY CONSTRUCTION LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Luke Venner, together with my colleague Malcolm Rhodes, of Bishop Fleming LLP, 2nd Floor Stratus House, Emperor Way, Exeter Business Park, Exeter, EX1 3QS, was appointed as Joint Liquidator of Bovey Construction Limited (the **Company**) on 25 October 2022.
- 1.2 We are authorised to act as insolvency practitioners in the UK by The Institute of Chartered Accountants in England and Wales and are bound by the Insolvency Code of Ethics when carrying out work relating to insolvency appointments. In the event of case related queries, we can be contacted on 01392 448800 or by email via restructuring@bishopfleming.co.uk.
- 1.3 This progress report covers the period from 25 October 2022 to 24 October 2023 (**the Period**) and should be read in conjunction with any previous progress reports which have been issued.
- 1.4 Information about the way that this firm will use, and store personal data on insolvency appointments can be found at www.bishopfleminginsolvency.co.uk/privacy-policy. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.5 The principal trading address of the Company was Little Caton, Caton, Ashburton, Devon, TQ13 7EU. The business traded under the name Bovey Construction.
- 1.6 The registered office of the Company has been changed to c/o Bishop Fleming, 2nd Floor Stratus House, Emperor Way, Exeter Business Park, Exeter, EX1 3QS and its registered number is 03884704.

2 Receipts and Payments

- 2.1 At Appendix A is our Receipts and Payments Account covering the Period of this report.

3 Progress of the Liquidation

- 3.1 This section of the report provides creditors with an update on the progress made in the Liquidation during the Period and an explanation of the work done by us and our staff.

Administration (including statutory compliance & reporting)

- 3.2 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work we anticipated would need to be done in this area was outlined in the initial fees estimate/information which was previously agreed by creditors.
- 3.3 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidators.
- 3.4 As noted in the initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

BOVEY CONSTRUCTION LIMITED - IN LIQUIDATION

Realisation of Assets

Chattel Assets

3.5 Lambert Smith Hampton ("LSH"), independent agents, were instructed prior to liquidation to value, market and dispose of the Company's financed and unencumbered chattel assets, including its motor vehicles and plant and machinery, as scheduled in the Company's statement of Affairs. The combined asset value including equity in the financed vehicles, was estimated at £34k before costs.

3.6 We are pleased to confirm that LSH have disposed of all the assets, including the financed vehicles with the finance providers' agreement, realising c£44k before costs. LSH's fees totalled £11,708 plus VAT and are constituted as follows:

Valuation fixed fee	£1,500 + VAT
Sales commission due at 10% of unencumbered assets	£4,356 + VAT
Expenses including marketing and porters' costs	£5,852 + VAT

3.7 The finance providers' claims have been discharged in this process.

Stock

3.8 A commercial decision was taken to abandon the stock held at the Company's leased premises, as the costs associated with clearing and disposing of the stock, added to the expected rent costs, was expected to significantly exceed the estimated sales proceeds.

Book Debts, Work in Progress and Retentions

3.9 As disclosed previously, an initial review of both live and completed contracts on which monies are due to the Company was completed for the purposes of the Statement of Affairs. This information, together with representations and claims from the relevant customers, suggested recoveries would be extremely limited.

3.10 During the period, we collated and reviewed the Company's paper records, and we have since appointed Ashfords LLP to advise on the prospects of recovery and next steps in respect of the individual contracts. Ashfords LLP were instructed due to their expertise in both construction and insolvency legal matters, as well as their pre-existing relationship with the Company and knowledge of the contracts.

3.11 On their advice, we have issued a claim in respect of an outstanding book debt totalling c£62k, including interest ("the claim"). There are seven other matters under consideration. Recovery prospects remain uncertain at this stage.

3.12 Except for the claim, Ashfords LLP fees have been agreed on a time cost basis. To date, fees totalling £5,862 plus VAT have been incurred and paid. In relation to the claim, it has been agreed that Ashfords LLP fees are on a contingent basis of 10% of recovery plus expenses.

3.13 As noted at the outset of the Liquidation WP (SW) Ltd ("the parent") has no assets other than the shares it holds in the Company. On Liquidation the balance owed was estimated at c£286k. Due to the inability of the Parent to settle this liability we have not conducted a detailed review of the balance other than to note at this time it appears reasonable. As noted below this balance forms part of our ongoing investigations.

3.14 The work we have undertaken to date has brought a financial benefit to creditors as it has enabled the secured creditors to be paid in full in respect of the financed vehicles. Furthermore, we anticipate a dividend will be payable to the preferential creditors.

BOVEY CONSTRUCTION LIMITED - IN LIQUIDATION

Creditors (claims and distributions)

- 3.15 Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.16 Since 1 December 2020, claims from preferential creditors now fall into one of two categories, either ordinary (typically involving employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal, which rank equally among themselves), or secondary (which are claims by HMRC for VAT or other relevant tax deductions such as PAYE and employee NIC deductions, together with student loans and CIS deductions, which also rank equally among themselves). Ordinary preferential claims rank ahead of secondary preferential claims and all preferential creditors must be paid in full before any distribution can be made to the unsecured creditors of a company.
- 3.17 Work undertaken by Liquidators in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidators in dealing with those claims.
- 3.18 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.
- 3.19 At this stage, we consider the following matters worth bringing to the attention of creditors:
- There were two secured creditors who were owed c£71k in respect of financed vehicles, which has been paid in full.
 - We anticipate claims from 21 ordinary preferential creditors totalling c£18k and from one secondary preferential creditor totaling c£193k.
 - We have been required to deal with the claims of 21 employees.
 - There are approximately 125 unsecured creditor claims in this case with a value per the directors' statement of affairs of c£1.24m.

Investigations

- 3.20 Some of the work Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors.
- 3.21 We can confirm that we have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, we are unable to disclose the contents.
- 3.22 Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment considered any information provided by creditors.
- 3.23 Creditors may recall from the creditors' meeting that concerns were raised regarding the use of COVID financing by the Company as well as transactions with the parent Company and the Company's directors. We are continuing to collate information in this respect, and then

BOVEY CONSTRUCTION LIMITED - IN LIQUIDATION

anticipate seeking legal advice. We cannot divulge any further information at this stage due to the confidential nature of our investigations, on which we will update creditors at the appropriate time.

Matters still to be dealt with

3.24 As noted above, the following principal matters remain outstanding:

- Determination of the outstanding contact matters
- Completion of our investigations
- Distribution to preferential creditors

4 Creditors

Secured Creditors

4.1 The majority of the Company's vehicles were financed by Lombard and Handelsbanken. At the date of the Liquidation, the indebtedness was estimated at £55,685 and £17,774 respectively. Following the sale of these vehicles the outstanding finance was agreed at £55,300 and £17,980 respectively. These amounts have been paid in full following the sale of the Company's vehicles.

4.2 SWIG Finance Limited held a fixed and floating charge over the Company's assets. At the date of the Liquidation the indebtedness was estimated at £39,777.

Preferential Creditors

4.3 A summary of the preferential claims in the Liquidation and details of any distributions paid to date can be found below:

Ordinary preferential claims	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £1	Date dividend paid
Employee claims (Total number of claims = 21)	Not yet agreed	17,755	None	n/a
Department for Business and Trade	Not yet agreed	n/a	None	n/a
Secondary preferential claims	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £1	Date dividend paid
VAT (HMRC)	Not yet agreed	193,044	None	n/a
PAYE, Employee NIC & CIS deductions (HMRC)	Not yet agreed		None	n/a
Student Loan Deductions	Not yet agreed	Nil	None	n/a

4.4 We are continuing to liaise with the Redundancy Payments Service (on behalf of the Secretary of State for Business and Trade) in respect of the Company's outstanding pension contributions. Once the claim has been finalised, we will agree the claims of ordinary preferential creditors.

BOVEY CONSTRUCTION LIMITED - IN LIQUIDATION

Unsecured Creditors

- 4.5 The Company's statement of affairs indicated there were 125 creditors whose debts totalled c£1.24m.
- 4.6 The Company's floating charge to SWIG Finance Limited was granted on the 19 March 2021. Accordingly, we are required to consider creating a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**).
- 4.7 Based on the estimated value of preferential creditors, we estimate that the Company has no net floating charge property and accordingly there is no Prescribed Part.

5 Joint Liquidators' Remuneration

- 5.1 Creditors approved that our unpaid pre-Liquidation fees totalling £16,500 plus VAT and expenses be paid from the estate. £15,000 plus VAT has been paid prior to liquidation. During the Period, the outstanding fees of £1,500 plus VAT have been paid in full and are shown on the enclosed Receipts and Payments Account at Appendix A.
- 5.2 The Creditors approved that the basis of our remuneration be fixed by reference to the time properly spent by us and our staff in managing the Liquidation. Our fees estimate/information was originally provided to creditors when the basis of our remuneration was approved and was based on information available to us at that time.
- 5.3 A copy of our originally approved fees estimate for the Liquidation is reproduced below:

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	85.09	238.43	20,288.14
Realisation of assets	37.88	314.73	11,922.02
Creditors (claims & distributions)	45.75	289.62	13,250.25
Investigations	45.95	313.34	14,398.00
Total estimated fees			£59,858.41

- 5.4 Our time costs for the Period are £39,521.71. This represents 178.93 hours at an average rate of £220.88 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the Liquidation. To date, £38,387.13 plus expenses shown in the enclosed Receipts and Payments Account has been drawn on account.
- 5.5 At the date of this report, we would confirm that our fees estimate for the Liquidation remains unchanged and we currently anticipate that the total amount that will be paid to our firm in respect of the time costs incurred will be £59,858.41.
- 5.6 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.r3.org.uk/technical-library/england-wales/technical-guidance/fees selecting the guide applicable to the insolvency commencement date in this case - 25 October 2022.
- 5.7 Attached as Appendix C is additional information in relation to our fees and expenses including where relevant, information on the use of subcontractors and professional advisers.

BOVEY CONSTRUCTION LIMITED - IN LIQUIDATION

6 Creditors' Rights

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that we provide further information about our remuneration or expenses which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for our remuneration is inappropriate and/or the remuneration charged or the expenses incurred by us as set out in this progress report, are excessive.

7 Next Report

- 7.1 We are required to provide a further report on the progress of the Liquidation within two months of the next anniversary of the Liquidation, unless we have concluded matters prior to this, in which case we will make our final account available.
- 7.2 If you have any queries in relation to the contents of this report, we can be contacted by telephone on 01392 448800 or by email at restructuring@bishopfleming.co.uk.

Yours faithfully



L Venner
Joint Liquidator

28 November 2023

Receipts and Payments Account for the period from the 25 October 2022 to 24 October 2023

Bovey Construction Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 25/10/2022 To 24/10/2023 £	From 25/10/2022 To 24/10/2023 £
	HIRE PURCHASE		
59,000.00	Financed Motor Vehicles	63,900.00	63,900.00
(55,685.00)	Lombard	(53,300.17)	(53,300.17)
31,000.00	Financed Motor Vehicles	33,600.00	33,600.00
(17,774.00)	Handelsbanken	(17,979.52)	(17,979.52)
		<u>26,420.31</u>	<u>26,420.31</u>
	ASSET REALISATIONS		
	Bank Interest Gross	1,421.55	1,421.55
Uncertain	Book Debts / WIP / Retentions	NIL	NIL
6,412.01	Cash at Bank	2,328.24	2,328.24
66,172.67	Cash at BF Client Account	66,172.67	66,172.67
	Chattel Assets	17,140.00	17,140.00
NIL	Intercompany Debtor	NIL	NIL
17,600.00	Plant & Machinery	NIL	NIL
Uncertain	Prepayments and accrued income	NIL	NIL
600.00	Stock	NIL	NIL
		<u>87,060.46</u>	<u>87,060.46</u>
	COST OF REALISATIONS		
	Agents Valuation Fees	11,708.41	11,708.41
	Insurance of Assets	1,316.00	1,316.00
	IT Expenses	2,483.00	2,483.00
	Office Holders' Fees	38,387.13	38,387.13
	Preparation of S. of A.	1,500.00	1,500.00
	Solicitor's Fees	5,862.43	5,862.43
	Statutory Advertising	297.90	297.90
		<u>(61,554.87)</u>	<u>(61,554.87)</u>
(17,754.63)	PREFERENTIAL CREDITORS		
	Employee Arrears/Hol Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(193,043.73)	SECONDARY PREFERENTIAL CREDITORS		
	H M Revenue & Customs	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(39,776.90)	FLOATING CHARGE CREDITORS		
	SWIG Finance Ltd	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(152,676.36)	UNSECURED CREDITORS		
(217,322.21)	Banks/Institutions	NIL	NIL
(64,863.33)	Employees	NIL	NIL
(21,792.04)	Landlord	NIL	NIL
(784,122.79)	Retentions	NIL	NIL
	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(7.00)	Ordinary A Shareholders	NIL	NIL
(7.00)	Ordinary B Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(1,384,062.51)		51,925.90	51,925.90
	REPRESENTED BY		
	Bank 1: Current		48,680.02
	VAT on Payments		3,245.88
			<u>51,925.90</u>

Time Analysis for the period from the 25 October 2022 to 24 October 2023

Category of work	Number of Hours	Average blended charge out rate £	Cost £
Administration (inc statutory compliance & reporting)	64.30	187.10	12,030.68
Realisation of assets	59.71	225.31	13,453.30
Creditors (claims & distributions)	24.92	235.86	5,877.53
Investigations	30.00	272.01	8,160.20
Total time costs			£39,521.71

Additional Information in Relation to the Joint Liquidators' Fees, Expenses & the use of Subcontractors**Staff Allocation and the use of Subcontractors**

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

We have not utilised the services of any subcontractors on this case.

Professional Advisors

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

Name of Professional Advisor	Basis of Fee Arrangement
Ashfords LLP (legal advice)	The claim – 10% of realisations plus VAT and expenses Other matters – Time costs plus VAT
Marsh UK Ltd (insurance and specific penalty bond)	Insurance Scale Rates
Lambert Smith Hampton (valuation and disposal advice)	Valuation - £1,500 plus VAT Fixed Fee Realisations – 10% of unencumbered gross realisations plus VAT and expenses.
W3Net IT Expenses	Fixed Charge

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

Joint Liquidators' Expenses

The estimate of expenses which were anticipated at the outset of the Liquidation was provided to creditors when the basis of our fees was approved. The table below compares the anticipated costs against those incurred to date.

BOVEY CONSTRUCTION LIMITED - IN LIQUIDATION

Category 1 expenses

These expenses do not require prior approval by creditors. The type of expenses that may be charged to a case as a Category 1 expense generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, external room hire and external storage costs. Also chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case. These expenses may include expenses which are payments first met by an office holder and then reimbursed from the estate.

Expense	Estimated overall cost £	Paid in the period covered by this report £	Incurred but not paid to date £
Agent's fees & expenses	11,708	11,708	-
Legal fees & expenses	TBD	5,862	-
Statutory advertising	298	298	-
IT expenses	3,000	2,483	-
Specific Penalty Bond	290	-	290
Insurance	1,316	1,316	-
External storage costs	3,000	-	-

The following variances from our initial estimate have occurred:

Agents' fees were originally estimated at £10k and have increased by £1,708, this is due to greater than originally anticipated expenses being incurred.

IT expenses have increased as the original estimate (£500) was based on the work required to secure the Company's records. Due to the digital records being held on cloud-based software there are ongoing subscription costs to maintain and access the data. The revised estimate of £3k is subject to the ongoing requirement to access the Company's digital records.

Insurance of assets were originally estimated at £500. There are no further insurable assets to realise and therefore we do not anticipate any further increase to costs.

Legal fees remain to be determined as they depend on the time necessary to be incurred by our appointed legal advisors. We continue to monitor the position and will update creditors in due course.

Category 2 expenses

These expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may therefore include payments to associates of the office holder or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. No Category 2 expenses have been incurred.