

LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



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COMPANIES HOUSE

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ashouse

1 Company details

Company number 0 8 1 1 1 6 8 2

Company name in full Brightside Roofing Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Gary

Surname Pettit

3 Liquidator's address

Building name/number 9-10 Scirocco Close

Street Moulton Park

Post town Northampton

County/Region

Postcode N N 3 6 A P

Country

4 Liquidator's name

Full forename(s) Gavin

Surname Bates

● Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address

Building name/number 9-10 Scirocco Close

Street Moulton Park

Post town Northampton

County/Region

Postcode N N 3 6 A P

Country

● Other liquidator

Use this section to tell us about
another liquidator.

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6 Period of progress report

From date	1	6	0	5	2	0	1	6	
To date	1	5	0	5	2	0	1	7	

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature	Signature	
	X <i>L. H. Bate</i>	X
Signature date	^d 1 ^d 2 ^m 0 ^m 7 ^y 20 ^y 1 ^y 7	

LIQ03

Notice of progress report in voluntary winding up



Presenter information

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

Gary Steven Pettit

PBC Business Recovery & Insolvency Limited

9-10 Scirocco Close

Moulton Park

Northampton

Postcode

N N 3 6 A P

DX

01604 212150



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

BRIGHTSIDE ROOFING LIMITED – IN CREDITORS' VOLUNTARY LIQUIDATION

LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS FOR THE PERIOD ENDING 15 MAY 2017

1 Introduction

- 1.1 This is my report to members and creditors following the 1st anniversary of my appointment as joint liquidator. This report should be read in conjunction with my previous reports.

2 Statutory Information

- 2.1 The table below details key information regarding the company and the liquidation.

Company name:	Brightside Roofing Limited – In Liquidation
Trading Name:	Brightside Roofing Ltd
Registered office:	9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Former registered office:	Office 8, First Floor Amphenol Antenna Solutions, HQ, Rutherford Drive, Wellingborough, NN8 6AX
Registered number:	08111682.
Date of winding up resolution:	16 May 2016
Joint Liquidators' names:	Gary Steven Pettit and Gavin Geoffrey Bates
Joint Liquidators' address:	PBC Business Recovery & Insolvency Ltd ("PBC"), 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Joint Liquidators' date of appointment:	16 May 2016

3 Liquidators' Actions Since Last Report

- 3.1 Since my last report to creditors, the joint liquidators have undertaken the following actions:
- Realised the assets of the company as detailed below.
 - Investigated the affairs of the company as detailed below.
 - Dealt with all routine correspondence and emails relating to the case.
 - Maintained and managed (including regular bank reconciliations) the office holder's estate bank account and cashbook.
 - Reviewed the adequacy of the specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
 - Undertaken periodic reviews of the progress of the case.
 - Prepared, reviewed and issued annual progress reports to creditors and members.

- viii. Filed returns at Companies House.
- ix. Prepared and filed VAT returns.
- x. Prepared and filed Corporation Tax returns.
- xi. Dealt with creditor correspondence, emails and telephone conversations regarding their claims.
- xii. Maintained up to date creditor information on the case management system.
- xiii. Negotiations with the directors in relation to their outstanding directors loan accounts.

3.2 The above list includes certain work that I am required by the insolvency legislation to undertake in connection with the liquidation but provides no financial benefit for the creditors.

4 Receipts and Payments

4.1 My receipts & payments account for the period from 16 May 2016 to 15 May 2017 is attached.

4.2 The balance of funds is held in an interest bearing estate bank account.

4.3 The following transactions have occurred since the period covered by the report:

- Receipt of directors loan account payments totalling £590.00
- Receipt of a sundry refund of £18.75

5 Assets

5.1 The following table details the current asset position.

Asset Type	Estimated to realise (£)	Realisations to date (£)
Directors' loans	89,109.00	590.00
Retentions	2,561.00	Nil
Sundry refund	Nil	18.75
Total	99,584.00	608.75

5.2 I would comment further as follows:

5.3 **Directors' loans:** The directors' advised in the statement of affairs there was a collective amount due of £89,109 in respect of outstanding directors' loan accounts. Upon my appointment I clarified the figures with the accountant and also reviewed the company's bank account to identify payments made. I approached each director with regards to negotiating a payment plan, which was a lengthy process.

After reviewing the directors' personal circumstances and their ability to repay, I agreed a payment plan of £100 per month with one director owing £22,273.50 and £10 per month with another director owing £26,983.74, although this is subject to review. I have received £590 in this respect. Both directors own their properties, and I have requested a charge be obtained in order to protect the Company's position. To date, neither director has responded to this request and I am

therefore considering my options. The third director, who owes the remaining balance was adjudged bankrupt upon a debtor's petition, shortly after the Company went into liquidation. Based on the information received to date, there is no prospect of a dividend from his bankruptcy estate.

5.4 **Motor Vehicles:** The company had two motor vehicles which were on finance with Alphera Financial Services and Northridge Finance. I carried out a valuation on a well known vehicle website and I estimated the vehicles were worth a total of £7,914. However, as predicted the finance owing was greater than the estimated value of the vehicles. I therefore advised the finance companies I had no interest in the vehicles and they could deal with them accordingly.

5.5 **Retentions:** The statement of affairs indicated £6,122 was owed to the company by way of outstanding retentions, with an estimated to realise value of £2,561. One of the debtors disputed the debt, stating the job had required remedial works which had cost them in excess of the amount owed. I had no option but to accept this claim, given the Company had no funds with which to pursue it. *The second debtor has agreed it owes £2,943.22, however they have been attempting to agree the final account and are awaiting payment from its customer. It has now confirmed they are in a position to pay some of the amount due, although this will be received in the period outside of this report.*

5.6 **Other Assets:** The following assets were realised in the period:

- i I have also received a small refund of £18.75 from the DVLA, shown on the receipts and payments account as 'sundry refund'.

6 Investigation into the affairs of the company

6.1 I undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.

6.2 In particular, I recovered, listed and reviewed the company's accounting records; obtained and reviewed copy bank statements for the 24 months prior to the company ceasing to trade from the company's bankers; and compared the information in the company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.

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

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

7 Liabilities

- 7.1 **Secured Creditors:** An examination of the company's mortgage register held by the Registrar of Companies showed that the company has granted the following charges:

Name of Chargeholder:	Foundation East Ltd
Date Charge Registered:	12 May 2014
Type of Security	Fixed and floating charge
Claim on statement of affairs	£21,000
Claim received to date:	£0

Name of Chargeholder:	Lloyds Bank Commercial Finance Ltd (LBCF)
Date Charge Registered:	29 April 2014 – Fixed and floating charge
Type of Security	Fixed and floating charge
Claim on statement of affairs	The Directors advise there is no liability to LBCF.
Claim received to date:	£0

- 7.2 **Preferential Creditors:** The statement of affairs did not include any preferential creditors and no claims have been received.
- 7.3 **Crown Creditors:** The statement of affairs included £6,000 owed to HMRC for PAYE, £14,000 for VAT and £23,078 for CTSA. HMRC's final claim of £44,016.07 has been received.
- 7.4 At the time of writing, I have not investigated the reasons for the difference in the level of claim received.
- 7.5 **Non-preferential unsecured Creditors:** In addition to HMRC the statement of affairs included 13 non-preferential unsecured creditors owed a total of approximately £25,561.07. It also included the estimated shortfall owed to 2 hire purchase creditors, the shortfall being estimated at £5,445. To date I have received claims from 8 creditors with claims in the statement of affairs of £26,214.35. I have also received a claim from 1 creditor not shown in the statement of affairs of £1,292.33.
- 7.6 At the time of writing, I have not investigated the reasons for the difference in the level of claims received.

8 Dividends

- 8.1 I confirm based on current information there will not be a dividend to any class of creditor.
- 8.2 The legislation requires that if the company has created a floating charge after 15 September 2003, a prescribed part of the company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors.
- 8.3 As previously advised, the company gave a floating charge to Foundation East Limited on 12 May 2014 and the prescribed part provisions will apply. On the basis of realisations to date, together with estimated future realisations, and after taking into account the costs of the liquidation to date, the net property of the company is £0, and I estimate that the prescribed part of the net property for unsecured creditors is £0.
- 8.4 Since the company's net property is less than £10,000, the insolvency legislation does not require me to distribute the prescribed part of the net property to creditors if I think that the costs of distributing the prescribed part would be disproportionate to the benefits to creditors. I am of the view that the costs of distribution would be disproportionate and so will not be making a distribution of the prescribed part of the net property to non-preferential unsecured creditors.
- 8.5 There will be no return to non-preferential unsecured creditors.

9 Pre-Appointment Remuneration

- 9.1 *The creditors previously authorised the payment of a fee of £5,000 for my assistance with preparing the statement of affairs and convening the meeting of creditors.*
- 9.2 The fee for preparing the statement of affairs and convening and holding the meeting of creditors is as yet unpaid as insufficient realisations have been made.

10 Liquidators' Remuneration

- 10.1 *No creditor submitted a vote on the resolutions issued with my report dated 31 May 2016 and therefore the joint liquidators have no authority to draw fees.*
- 10.2 Accordingly, I am seeking resolutions to fix my remuneration and details of the proposed resolutions are outlined in the cover letter accompanying my report.
- 10.3 **Please note if no vote is received or the resolutions are not passed, I will have no option but to apply to court to fix my fees and disbursements. This process will significantly increase the cost of these proceedings and I would therefore urge you to respond promptly.**
- 10.4 I attach a copy of my practice fee recovery policy. In this case I am seeking to fix the basis of my remuneration on more than one basis as detailed below.

10.5 **Fixed fee basis:** There are certain tasks that I have to carry out on nearly every liquidation. Although they are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not produce any direct benefit for creditors, but still have to be carried out. After taking into account the nature and value of the assets involved, I have concluded that a fixed fee of **£11,500** is necessary to cover that work. **Creditors should note this fixed fee has increased by £500 as a result of the costs associated with this extra report given no vote was received on the written resolutions previously circulated.** I have also compared the proposed fixed fee with our past time records for undertaking the work in respect of cases of a similar size and complexity and taken that into account when determining the level of the fixed fee sought, and as a result I believe that this demonstrates why the fixed fee is expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken. Please note that the lists below include generic tasks that may not be necessary every time, but arise in a typical case and are expected to be necessary in this case. If any one task is not required it would not make a material difference to the amount of work done for which approval of the fixed fee is being sought:

10.6 **Administration:**

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

10.7 **Creditors:**

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.

- Maintaining up to date creditor information on the case management system.

10.8 Percentage Basis: There are certain tasks that I only have to carry out where there are assets to recover. They may produce a direct benefit for creditors, but are subject to the costs of the proceedings generally. I undertake the work to recover the assets, initially at my own cost, suffering the loss if any asset is not recoverable. If assets are recovered, I first recover my costs and then distribute any balance. I am seeking a percentage basis that I think reflects the risk that I am taking, the nature of the assets involved, the complexity of the liquidation, and shares the anticipated benefit with the creditors. I am therefore seeking a fee based on asset realisations which shall be drawn at **15% of realisations**.

10.9 Therefore based on the combined balance owed by the directors mentioned above of £49,257.24 (excluding the bankrupt director) and estimated retentions of £2,943.22 the fee will be **£7,830.06**. I think the percentage I am seeking approval for reflects the risk that I am taking and the nature of the assets involved. The percentage I am seeking is the same as the Official Receiver charges on assets realised and as a result, I believe that this demonstrates why the percentage proposed is expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken. The list below shows the tasks which are likely to be undertaken by me and my staff. Please note that the list includes generic tasks that may not be necessary every time, but arise in a typical case and are expected to be necessary in this case. If any one task is not required it would not make a material difference to amount of work done for which approval of the percentage is sought:

10.10 Realisation of assets:

- Arranging suitable insurance over assets.
- Regularly monitoring the suitability and appropriateness of the insurance cover in place.
- Corresponding with debtors and attempting to collect outstanding book debts.
- Liaising with the bank regarding the closure of the account.
- Liaising with finance company's in relation to the vehicles on finance.
- Instructing solicitors to assist in the realisation of assets.
- Liaisons with accountants and directors to establish the level of the directors loan accounts and reviewing bank statements accordingly.
- Monitoring payments from directors.
- Registering a charge over directors' properties if necessary.

10.11 Time costs: Some work cannot be identified with enough certainty for me to seek remuneration on a fixed or percentage basis. For these tasks, I propose to seek approval on a time cost basis. i.e. by reference to time properly spent by me and members of staff of the practice at our standard charge out rates. When I seek approval for my fees on a time cost basis I have to provide a fees estimate. That estimate acts as a cap on my time costs so that I cannot draw fees of more than the total estimated time costs without further approval from those who approved the fees. I attach a "fees estimate summary" that sets out the work that I intend to undertake, the hourly rates I intend to charge for each part of the work, and the time that I think each part of the work will take. It includes a summary of that information in an average or "blended" rate for all of the work being carried out within the estimate. As indicated in the fees estimate the following areas of work will be charged on a time cost basis.

10.12 Investigations

- *Review of the company's previous accounts and review of the assets as compared to the statement of affairs.*
- *A review of the company bank statements in order to identify any payments which may be overturned by the joint liquidators.*
- *SIP2 review of potential actions.*
- *Investigation of any potential preference or transaction at an undervalue.*
- *Investigation of any potential wrongful trading*
- *Completion of the Directors Disqualification Report.*
- *Correspondence with the Directors Disqualification Unit*

10.13 More details of the tasks included in these categories are included in the fees estimate. I estimate that the total time costs that I will incur in undertaking these tasks in this case will be £1,620.

10.14 I anticipate needing to seek approval to draw fees in excess the estimate if this work leads to further areas of investigation, potential further asset recoveries and any associated action, such as arbitration or legal proceedings.

10.15 To date a total of 7.8 hours have been spent working on the above tasks in the liquidation, and total time costs to date are £1,491.36 charged at an average charge out rate of £191.20. Details of the time units used and current charge-out rates are provided in our practice fee recovery sheet, a copy of which is enclosed. I attach, in respect of the areas of work where I am seeking to charge fees on a time cost basis, an analysis of time costs incurred to date by reference to grade of staff and work done.

11 Liquidators' Expenses

11.1 As outlined above, creditors have not authorised I can draw fees or category 2 disbursements and I am therefore seeking to fix them with this report.

11.2 I have incurred expenses to 15 May 2017 of £478.87.

11.3 I have not been able to draw any expenses in this matter.

12 Creditors' Rights

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

12.2 An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the joint liquidators' fees and the amount of any proposed expenses or expenses

already incurred within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

- 12.3 Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3 is available at <http://www.pbcbusinessrecovery.co.uk/links>. Please note that there are different versions of the guidance notes and in this case you should refer to October 2015 version. Please note we have provided further details in the attached practice fee recovery sheet.

13 Provision of Services Regulations

- 13.1 To comply with the Provision of Services Regulations, some general information about PBC can be found at <http://www.pbcbusinessrecovery.co.uk/provision-of-services-regulations>

14 Summary

- 14.1 The liquidation will remain open until the following matters have been fully resolved:
- i. Collection of the Directors loan accounts
- 14.2 I estimate that this will take approximately 4 years and once resolved the liquidation will be finalised and our files will be closed.
- 14.3 If creditors have any queries regarding the conduct of the liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Claire Goodacre on the above telephone number, or by email at clairegoodacre@pbcbusinessrecovery.co.uk.


Gary Steven Pettit
Joint Liquidator

**Brightside Roofing Ltd - In Creditors Voluntary Liquidation
Joint Liquidators' Abstract of Receipts & Payments**

From 16 May 2016 To 15 May 2017

S of A £		From 16/05/16 To 15/05/17	From 16/05/16 To 15/05/17
FIXED CHARGE REALISATIONS			
3,738.00	Motor Vehicles	NIL	NIL
4,176.00	Motor Vehicles	NIL	NIL
		NIL	NIL
FIXED CHARGE CREDITORS			
(7,693.00)	Northridge Finance Ltd	NIL	NIL
(5,666.00)	Alphera Financial Services	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
NIL	Plant & Machinery	NIL	NIL
2,560.93	Retentions	NIL	NIL
89,109.37	Directors Loans	590.00	590.00
	Sundry Refund	18.75	18.75
		608.75	608.75
FLOATING CHARGE CREDITORS			
(21,000.00)	Foundation East Limited	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(17,071.00)	BANK OVERDRAFT	NIL	NIL
(6,000.00)	HM Revenue & Customs for PAYE	NIL	NIL
(14,000.00)	HM Revenue & Customs for VAT	NIL	NIL
(23,078.00)	HMRC for CTSA	NIL	NIL
(8,445.07)	Trade Creditor	NIL	NIL
		NIL	NIL
		608.75	608.75
REPRESENTED BY			
	PBC re Brightside Roofing Ltd		608.75
			608.75

Between 16 May 2016 and 15 May 2017

FIXED FEE

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	5.10	2.90	28.80	7.50	44.30	7,897.94	178.28
Creditors	-	0.10	1.90	0.80	2.80	396.18	141.49
Total hours	5.10	3.00	30.70	8.30	47.10		
Time costs	1,923.22	816.72	4,987.18	567.01		8,294.13	
Average hourly rate	377.10	272.24	162.45	68.31			176.10

Total Fixed Fees charged to 15/05/2017 £8,294.13

SCALE RATE

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Realisations	2.80	0.90	18.80	0.70	23.20	4,623.02	199.27
Total hours	2.80	0.90	18.80	0.70	23.20		
Time costs	1,054.50	243.82	3,293.91	30.80		4,623.02	
Average hourly rate	376.61	270.91	175.21	44.00			199.27

Total Scale Rate Fees charged to 15/05/2017 £4,623.02

TIME COSTS

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate	Time costs as detailed in Fee Estimate
Investigations	0.60	-	7.20	-	7.80	1,491.36	191.20	1,620.00
Case Specific Matters	-	-	0.10	-	0.10	17.58	175.76	-
Distributions	-	-	0.20	-	0.20	35.15	175.76	-
Total hours	0.60	-	7.50	-	8.10			
Time costs	225.89	-	1,318.20	-		1,544.09		1,620.00
Average hourly rate	376.48	-	175.76	-			190.63	

Total Time Cost Fees charged to 15/05/2017 £1,544.09

EXPENSES

Description	Total Incurred £	Total Recovered £
Mileage	3.15	-
Postage/Stamps/Copying/Stationary	29.60	-
Bordereau	272.00	-
insolv Case Administration fee	110.00	-
Storage	64.12	-
Totals	478.87	-