

LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1 Company details

Company number	0	8	5	6	7	0	7	1
Company name in full	Brierstone Construction Limited							

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

2 Liquidator's name

Full forename(s)	Paul
Surname	Stanley

3 Liquidator's address

Building name/number	C/O Begbies Traynor
Street	340 Deansgate
Post town	Manchester
County/Region	
Postcode	M 3 4 L Y
Country	

4 Liquidator's name ①

Full forename(s)	Paul
Surname	Barber

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


5 Liquidator's address ②

Building name/number	C/O Begbies Traynor
Street	340 Deansgate
Post town	Manchester
County/Region	
Postcode	M 3 4 L Y
Country	

② **Other liquidator**
Use this section to tell us about
another liquidator.

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6	Period of progress report															
From date	^d	1	^d	9	^m	1	^m	2	^y	2	^y	0	^y	2	^y	0
To date	^d	1	^d	8	^m	1	^m	2	^y	2	^y	0	^y	2	^y	1
7	Progress report															
<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date															
Liquidator's signature	<div>Signature</div> <div>  </div>															
Signature date	^d	2	^d	8	^m	0	^m	1	^y	2	^y	0	^y	2	^y	2

**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 **Paul Stanley**

Company name **Begbies Traynor (Central) LLP**

Address **340 Deansgate**

Manchester

Post town **M3 4LY**

County/Region

Postcode

Country

DX

Telephone

0161 837 1700

**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

Brierstone Construction Limited
(In Creditors' Voluntary Liquidation)

Progress Report

Period: 19 December 2020 to 18 December 2021

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Brierstone Construction Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 19 December 2019.
"the liquidators", "we", "our" and "us"	Paul Stanley and Paul W Barber of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s):	Brierstone Construction Limited
Company registered number:	08567071
Company registered office:	340 Deansgate, Manchester, M3 4LY
Former trading address:	C/o Connaughton & Co, 2nd Floor, Boulton House, Manchester, M1 3HY

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	19 December 2019
Date of liquidators' appointment:	19 December 2019
Changes in liquidator (if any):	N/a

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 19 December 2020 to 18 December 2021.

Receipts

There were no receipts during the reporting period.

Payments

Bank Charges

£20 of bank charges were incurred and paid during the reporting period.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>

Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment.

The details below relate to the work undertaken in the period of this report only. Our previous report contains details of the work undertaken since our appointment.

General case administration and planning

It is necessary to develop and review the strategy in respect of certain key elements, such as asset realisations and investigations, dependent upon the specific circumstances of a case.

Periodic reviews have therefore been carried out, in order to ensure that asset realisations and investigations are progressing satisfactorily, and that statutory requirements of the relevant legislation are complied with.

Generally, it is also necessary to maintain records to demonstrate how the case was administered, and to document the reasons for any decisions that materially affect the case.

Whilst this work has not financially benefitted creditors, it is still a necessary part of the general control of the case.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act 1986 and the Insolvency Rules 1986, together with subsequent amendments, require Insolvency Practitioners holding office as Liquidators to produce a Progress Report within two months after

each anniversary of their appointment, which is filed at Companies House and made available to all creditors and members.

They are also required to ensure that the case is adequately bonded (an insurance to protect the interests of unsecured creditors in the asset realisations on a case).

This category also includes cashiering duties, such as banking funds, maintaining accounting records and invoicing in respect of remuneration and disbursements, which is undertaken by support staff throughout the duration of the case.

We have complied with / carried out these duties during the period of this Progress Report – although this work has not benefitted creditors financially, it was still necessary in accordance with insolvency legislation.

Investigations

Liquidators have a statutory duty to investigate the conduct of a director (and any person they consider to be or have been a shadow or de facto director) during the period of three years before the date of their appointment, in relation to their management of the affairs of a company, and the causes of its failure.

Having undertaken this exercise, they are also obliged to submit confidential reports to the Department for Business, Energy & Industrial Strategy.

In addition to the above, their staff will review a company's books & records, with a view to identifying any matters where potential recoveries for the estate can be pursued – this would normally include antecedent transactions, such as preferences payments and transfers of assets at undervalues (if undertaken within the relevant time periods).

Time costs allocated to this area include time spent in relation to enquiries arising as a consequence of our initial investigations.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedures, tax, litigation, pensions and travel

Time posted to this category relates to time spent dealing with post-appointment tax matters and correspondence with HM Revenue & Customs.

Whilst this work has not financially benefitted creditors, it has still been necessary in order to comply with our statutory requirements in respect of reporting to H M Revenue & Customs.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our previous progress report.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditors

There are no known secured creditors.

Preferential creditors

There are no known preferential claims.

Secondary preferential creditors

Further to the changes to the Finance Act 2020, HM Revenue & Customs are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions, Student loan deductions and Construction Industry Scheme deductions fall under the secondary preferential status.

There is no secondary preferential claim from HM Revenue & Customs.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

Where charge is created between 15th September 2003 and up to 6th April 2020

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

Where charge is created on or after 6th April 2020

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £800,000

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Unsecured creditors

Unsecured creditors were estimated at £115,637 and we have received claims totalling £81,682 to date.

No dividend is currently available or anticipated for unsecured creditors. Any future distribution to be made to unsecured creditors is wholly dependent upon the quantum of recoveries and the costs associated with the same.

6. REMUNERATION & EXPENSES

Remuneration

To date we have not sought approval of any post appointment remuneration.

Our time costs for the period from 19 December 2020 to 18 December 2021 amount to £5,075 which represents 23 hours at an average rate of £220.65 per hour. The following further information in relation to our time costs and expenses is set out at Appendix 2:

- ❑ Time Costs Analysis for the period 19 December 2020 to 18 December 2021
- ❑ Cumulative Time Cost Analysis for the period 19 December 2019 to 18 December 2021.
- ❑ Begbies Traynor (Central) LLP's charging policy

To 18 December 2021, we have not drawn any Liquidators' fees on account of our remuneration, against total time costs of £19,410.50 incurred since the date of our appointment.

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the liquidation.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

Work undertaken prior to appointment

In addition to the post appointment time costs detailed above, the costs relating to work undertaken prior to our appointment in assisting with the preparation of the statement of affairs and seeking the decisions of creditors on the nomination of liquidators were approved by the creditors on 19 December 2019 in the sum of £3,000 plus VAT and necessary disbursements.

No fees have been drawn against these costs to date.

Disbursements

Category 1

To 18 December 2021, Category 1 disbursements in the sum of £196.28 have been incurred against which no amount has been drawn.

Category 2

No Category 2 disbursements have been incurred.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement showing the total expenses incurred since the date of our appointment also appears at Appendix 3.

Expenses actually incurred compared to those that were anticipated

Although a fee estimate and details of anticipated expenses was not issued to creditors for the purpose of their approval, we estimated that the expenses of the liquidation would total £346.35. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

There are no further assets that are expected to be realised. The sole asset of the Company, listed on the directors' statement of affairs, was a book debt due to be repaid from Lancaster Quays Limited, a connected company via common directors.

Lancaster Quays Limited is, itself experiencing financial difficulty with no prospect of being able to repay the loan that it received from the Company. The most recent accounts that Lancaster Quays filed at Companies House displayed an annual loss to 31 March 2018 of c£94,000 and retained earnings as minus £518,190. The latest accounts are overdue for filing.

The directors have previously indicated to the Joint Liquidators that they believe it is only a matter of time before Lancaster Quays Limited also enters voluntary liquidation.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

Until this matter is concluded, we will continue to perform periodic reviews, in order to ensure that the statutory requirements of the relevant legislation are complied with.

Continuing records will also be made to demonstrate how the case is being administered, and to document the reasons for any decisions that materially affect the case.

Whilst this work will not benefit creditors financially, it is still a necessary part of the general control of the case.

Compliance with the Insolvency Act, Rules and best practice

over the remaining course of the administration of this estate we will:

- ensure that the case is adequately bonded (an insurance to protect the interests of unsecured creditors in the potential asset realisations on a case); and
- produce a Progress Report within two months after the anniversary of the date of when the Company entered Liquidation, which is issued / made available to all creditors and members, and filed with the Registrar of Companies.

Once this matter is ready to conclude, we will also produce a Final Report to be issued to members & creditors, and subsequently filed at Companies House.

In the meantime, the cashiering duties (bank reconciliations and maintaining accounting records) will continue to be undertaken by our support staff.

Whilst this work will not benefit creditors financially, it is still required to ensure our files are conducted in a statutory compliant manner.

Dealing with all creditors' claims (including employees), correspondence and distributions

Until this matter has concluded, we will continue to log creditor claims and respond to general correspondence received.

Should funds allow, the Insolvency Practitioner will make distributions to creditors in accordance with the specified order of priority governing secured claims, preferential claims and unsecured claims, however, as mentioned earlier in this based on current and expected future realisations it is not anticipated that there will be a distribution to creditors.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedure, tax, litigation, pensions and travel)

Until this matter is concluded, we will continue to prepare / submit tax returns for the periods after our appointment as Joint Liquidators.

Whilst this work will not financially benefit creditors, it is still necessary to comply with statutory requirements in respect of reporting to H M Revenue & Customs.

How much will this further work cost?

We estimate further time costs of approximately £10,000 will be incurred in carrying out the work set out above, including the closure of the liquidation. It should be noted, as per Section 6 of this report, that the liquidators only possess fee approval for their fixed pre-appointment fee of £3,000 plus VAT and necessary disbursements and, as there are insufficient funds available, do not anticipate having to seek post-appointment fee approval from creditors in order to draw fees beyond this level.

Expenses

Details of the expenses that we expect to pay and/or incur in connection with the work that remains to be done referred to above are as follows; bonding (£18), storage (£17.60), statutory advertising (£174.96) and postage costs (currently £3.32).

9. OTHER RELEVANT INFORMATION

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

Use of personal information

Please note that in the course of discharging our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies->

traynorgroup.com/privacy-notice If you require a hard copy of the information, please do not hesitate to contact us.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, 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, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.

A handwritten signature in black ink, appearing to read 'Paul Stanley', with a large, sweeping flourish at the end.

Paul Stanley
Joint Liquidator

Dated: 28 January 2022

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 19 December 2020 to 18 December 2021

Statement of Affairs £		From 19/12/2020 To 18/12/2021 £	From 19/12/2019 To 18/12/2021 £
	ASSET REALISATIONS		
NIL	Book Debts	NIL	NIL
	Cash at Bank	NIL	16.85
	Contribution from Director	NIL	1,822.66
		NIL	1,839.51
	COST OF REALISATIONS		
	Bank Charges	20.00	20.00
		(20.00)	(20.00)
	UNSECURED CREDITORS		
(77,892.45)	HMRC (non VAT)	NIL	NIL
(34,145.00)	Inter-Company Creditors	NIL	NIL
(3,600.00)	Trade Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(115,638.45)		(20.00)	1,819.51

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 19 December 2020 to 18 December 2021
- c. Cumulative Time Costs Analysis for the period from 19 December 2019 to 18 December 2021.

Begbies Traynor Charging Policy

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 disbursements (approval not required) - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ Category 2 disbursements (approval required) - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a Category 1 disbursement) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 disbursement:

- Telephone and facsimile

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally but vary to suit local market conditions. The rates applying to the Manchester office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 January 2022 until further notice
Partner	545
Director	490
Senior Manager	435
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Cashier	155
Secretarial	155

Prior to 1 January 2022 the following rates applied:

Grade of Staff	Charge-out rate (£ per hour) 1 December 2018 – 31 December 2021
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Trainee Administrator	140
Support	140

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

SIP9 Brierstone Construction Limited - Creditors Voluntary Liquidation - 10BR819.CVL : Time Costs Analysis From 19/12/2020 To 18/12/2021

[illegible]

SIP9 Brierstone Construction Limited - Creditors Voluntary Liquidation - 10BR819.CVL : Time Costs Analysis From 19/12/2019 To 18/12/2021

[illegible]

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Postage	Postworks Limited	3.32	NIL	3.32
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
There have been no expenses incurred within the Begbies Traynor Group				

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Bonding*	Insolvency Risk Services	18.00
Advertising*	Courts Advertising	174.96
Postage*	Postworks Limited	3.32

* Funded by Begbies Traynor to date and to be recharged.