

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 8 5 4 7 7 8

Company name in full PHD1 CONSTRUCTION LTD

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

2 Liquidator's name

Full forename(s) Robert Lochmohr

Surname Cooksey

3 Liquidator's address

Building name/number Bridgestones Limited

Street 125/127 Union Street

Post town Oldham

County/Region Lancashire

Postcode O L 1 1 T E

Country United Kingdom

4 Liquidator's name ①

Full forename(s) Victoria Louise

Surname Galbraith

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

5 Liquidator's address ②

Building name/number Bridgestones Limited

Street 125/127 Union Street

Post town Oldham

County/Region Lancashire


Postcode O L 1 1 T E

Country United Kingdom

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

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6		Period of progress report															
From date	d	0	d	8	m	0	m	5	y	2	y	0	y	2	y	0	
To date	d	0	d	7	m	0	m	5	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	Signature <div style="display: flex; justify-content: space-between; align-items: center;"> X  X </div>																
Signature date	d	0	d	1	m	0	m	7	y	2	y	0	y	2	y	1	

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**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	Robert Cooksey
Company name	Bridgestones Limited
Address	125/127 Union Street
Post town	Oldham
County/Region	Lancashire
Postcode	O L 1 1 T E
Country	United Kingdom
DX	
Telephone	0161 785 3700

**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

PHD1 Construction Ltd – In Creditors' Voluntary Liquidation
LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS

Period: 8th May 2020 to 7th May 2021

EXECUTIVE SUMMARY

The liquidation remains ongoing, whilst recovery action is taken in relation to the funds outstanding under the terms of the sale agreement, originally entered into by the Joint Administrators, which I anticipate will be concluded within the next 9-12 months.

STATUTORY INFORMATION

Company name:	PHD1 Construction Ltd
Registered office:	Bridgestones Limited 125/127 Union Street Oldham OL1 1TE
Former registered office:	7 Webster Court Carina Business Park Warrington WA5 8WD
Registered number:	08854778
Liquidators names:	Robert Cooksey Victoria Galbraith
Liquidators address:	Bridgestones Limited 125/127 Union Street Oldham OL1 1TE
Liquidator's date of appointment:	8 th May 2019

Jonathan Lord was appointed as Liquidator of the above Company on 8th May 2019.

I, Robert Cooksey, along with my colleague Victoria Galbraith was appointed Joint Liquidator of the above Company with effect from 24th July 2020, following the resignation of Jonathan Lord.

The appointments are pursuant to a block transfer order made in the High Court of Justice Business and Property Courts in Manchester, number CR-2020-MAN-000720.

I am writing to all members and creditors in accordance with Section 104A of The Insolvency Act 1986, to advise you of my dealings in the liquidation and to lay before you an account of my receipts and payments.

LIQUIDATORS' ACTIONS SINCE APPOINTMENT

Following the conclusion of the Administration of the Company, and its transition into liquidation, the former Liquidator continued with his efforts to recover monies due to the Company under the terms of a sale agreement, further details of which can be found further on in this report.

£28,000.11 has been received from Liverpool City Council in relation to a retention. Details regarding the funds received can be found further on in my report.

I am currently dealing with an Insolvency Practitioner in relation to an associated Company that is in Liquidation.

There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since the last progress report is contained in Appendix 1.

RECEIPTS AND PAYMENTS

The Receipts & Payments Account for the period from 8th May 2019 to 7th May 2021 is attached at Appendix 2.

The Receipts & Payments account is shown net of VAT.

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

ASSETS

Sale of Business

Following the appointment of the Joint Administrators on 1st April 2016 a sale agreement was entered into with North Point Global Limited to purchase the Company's office furniture, equipment and goodwill for an amount of £250,000.

The sale agreement allowed for the payment of monies due on a deferred basis, with a view to all funds having been received by March 2017.

This was the only received for the purchase of the Company's assets and was made on the basis that no security would be provided by North Point Global in relation to the sale agreement.

The Joint Administrators recovered the sum of £125,000 under the terms of the sale agreement with no further funds being forthcoming.

Consequently, the Joint Administrators entered into an agreement with a third party where the sale agreement, and the balance outstanding, was novated to them. However, no funds were realised following the novation.

As such, following the former Liquidators appointment he took steps to seek recovery of monies due, a statutory demand was issued against the relevant party for the balance of the sale agreement.

Therefore, the matter remains ongoing at this time.

Retentions

Liverpool City Council contacted the office stating that they were holding cash bonds deposited in accordance with s.278 agreements to guarantee the completion of highway works. They advised that the highway works at the sites were adopted by the City Council and were instructed to return the cash bonds to the company, together with the interest accrued to date.

They confirmed that the total amount due to the Company was £28,000.11.

The funds have since been received into the Liquidation. No further realisations are expected in this regard.

Bank Interest, Net of Tax

Funds received by the Liquidator are lodged in an interest bearing account in the Company's name. Interest credited to this account becomes a receipt in the Liquidation. The sum of £0.87 was received.

LIABILITIES

Secured Creditors

During the course of trade, Blue Ray Enterprises FZE injected funds into the Company originally on an unsecured basis. In February 2016 Blue Ray Enterprises FZE obtained a debenture over the Company and its assets by way of security against all future cash injections made into the business. Following the creation and registration of this charge, the sum of £60,000 was advanced to the Company. Consequently, Blue Ray Enterprises FZE is only a secured creditor to the amount of £60,000.

Under the terms of their fixed charge Blue Ray Enterprises FZE will be entitled to receive £60,000 from the funds received following the sale of the Company's Goodwill subject to the charge being verified.

Floating Charge Creditor

Blue Ray Enterprises FZE registered a debenture over the Company at Companies House on 15th February 2016. This debenture provides for both a fixed and floating charge over the Company's assets.

However as previously disclosed, it is anticipated that the amount secured by the Charge will be repaid under the terms of the fixed element of the debenture. Therefore, no liability is expected to be outstanding to Blue Ray Enterprises FZE in their capacity as a Floating Charge Creditor.

Preferential Creditors

Prior to the Company entering into Administration, the Company's employees had been transferred to Bilt Group under the provisions of the Transfer of Undertaking (Protection of Employment) Regulations 1981 ("TUPE") and as such, no preferential claims have been received or are anticipated.

Crown Creditors

The statement of affairs included £75,000.00 owed to HMRC. HMRC's final claim of £251,408.26 has been received.

Non-preferential unsecured Creditors

In addition to the amounts due to HM Revenue & Customs, unsecured claims totalling £8,867,569.21 have been received.

In the original proposal to creditors, an estimated statement of financial position was included which valued the claims of unsecured creditors at £7,893,473.57 of which £75,000 was believed to be due to HM Revenue & Customs.

However, following the circulation of the Joint Administrators proposals, additional unsecured creditors have come forward and claims have been received from known creditors in excess of the estimates provided by the Company.

DIVIDEND PROSPECTS

There is no prospect of a dividend being declared to non-preferential creditors at this stage.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

The former Liquidator 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. I am required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation.

Specifically, he recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 12 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.

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

LIQUIDATOR'S REMUNERATION

In accordance with Rule 18.20(4) of the Insolvency (England and Wales) Rules 2016, where an administrator becomes a liquidator, the basis of remuneration fixed for the administrator is treated as having been fixed for the liquidator. It should be noted that the Joint Administrator's remuneration was fixed on a time cost basis and as such remuneration drawn in my capacity as Liquidator, will also be fixed on a time cost basis. The final fee estimate was agreed by creditors at £140,000 + VAT. The administrators fee drawn was £132,571.01 + VAT.

The total time costs in the Liquidation to 7th May 2021 amount to £13,071.00, representing 72.10 of hours work at a blended charge out rate of £181.29 per hour, of which £5,180.00, representing 13.90 of hours work, was charged in the period since 8th May 2020, at a blended charge out rate of £372.66 per hour.

I have drawn as Liquidator £7,428.99 to 7th May 2021 of which £7,428.99 was drawn in the period since 8th May 2020.

A detailed schedule of time costs incurred to date and since 8th May 2020 compared with the original fees estimate are attached as Appendix 3 & 4.

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/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at www.bridgestones.co.uk/technical.html. There are different versions of these Guidance Notes, and in this case please refer to the most recent version. Further details, including Bridgestones charge-out rates, are also included in the practice fee recovery sheet available at the same link.

LIQUIDATOR'S EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

I do not intend to recover any expenses with an element of shared costs in this case.

Expenses have been incurred to 7th May 2021 totalling £484.93 (not inclusive of VAT), of which £221.20 was incurred in the period since the last report.

Expenses have been drawn totalling £7.20, (not inclusive of VAT) to 7th May 2021 of which £7.20 was drawn in the period since the last report.

The following category 1 expenses have been incurred and drawn in the period since the previous report:

Type of category 1 expense	Amount incurred/ accrued in the reporting period
Bank Charges	£7.20

The following category 1 expenses have been incurred but not drawn in the period since the previous report:

Type of category 1 expense	Amount incurred/ accrued in the reporting period
Specific Bond	£204.00
Creditor Gateway Upload	£10.00

The following professional advisors were used in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Knights (formerly Turner Parkinson)	Solicitors	Time Cost Basis

The choice of professionals was based on the former Liquidators perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. He also considered that the basis on which they will charge their fees represented value for money. He reviewed the charges they have made and was satisfied that they are reasonable in the circumstances of this case.

Creditor Gateway provide a secure online hosting facility for reports to creditors.

Statutory advertising costs were incurred in placing advertisements relating to the Liquidator's appointment in the London Gazette.

The Specific Bond is required to be put in place to cover the value of assets in an estate in insolvency appointments to insure against any losses to the estate caused by fraud or dishonesty on the part of an Insolvency Practitioner.

The Software License Fee is a fixed fee paid for the use of a case management system.

FURTHER INFORMATION

Creditors are reminded of their rights under Rule 18.9 of the Insolvency Rules 2016. Within 21 days of receipt of a progress report a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the company's unsecured creditors or permission of the court may request further information about remuneration and expenses set out in the report. Such a request must be made in writing.

The Liquidator must provide the information requested within 14 days of receipt of the request or alternatively his reasons for non-provision of the information.

Under Rule 18.34 of the Insolvency Rules 2016, should a creditor believe that the Liquidators' remuneration or expenses are excessive, or the basis fixed for the Liquidators' remuneration is inappropriate. A secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the company's unsecured creditors or the permission of the court may apply to court to challenge the Liquidators' remuneration. Any such application must be made within a period of 8 weeks following the receipt of the progress report in which the charging of the remuneration or incurring of expenses is first reported.

To comply with the Provision of Services Regulations, some general information can be found at <http://www.bridgestones.co.uk/about.html>

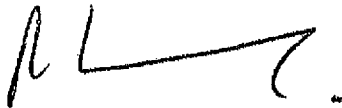
At Bridgestones we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. If you should have cause to complain about the way, we are acting our complaints procedure can also be found on our website www.bridgestones.co.uk.

To comply with the General Data Protection Regulation a copy privacy notice can be found at <http://www.bridgestones.co.uk/gdpr>.

SUMMARY

The Liquidation will remain open until monies due under the sale agreement have been realised for the benefit of the liquidation. I estimate that this will take approximately 9-12 months to complete and once resolved the Liquidation will be finalised and our files will be closed.

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 Eleanor Worrall on 0161 785 3700, or by email at mail@bridgestones.co.uk.

A handwritten signature in black ink, appearing to read 'R L' followed by a stylized flourish.

Robert Cooksey
Joint Liquidator

Appendix 1

1. Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holder's estate bank account.
- 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.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

2. Creditors

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

3. Asset Realisations

- Corresponding with all parties connected to the sale agreement in relation to the outstanding balance.
- Corresponding with Liverpool City Council regarding retention.

Appendix 2

PHD1 Construction Ltd - In Creditors Voluntary Liquidation Joint Liquidators' Abstract of Receipts & Payments

From 08 May 2019 To 07 May 2021

S of A £		As Previously Reported	08/05/20 to 07/05/21	Total £
RECEIPTS				
NIL	Bank Interest Net of Tax	NIL	0.87	0.87
NIL	Retentions	NIL	28,000.11	28,000.11
NIL		NIL	28,000.98	28,000.98
PAYMENTS				
NIL	Bank Charges	NIL	(7.20)	(7.20)
NIL	Liquidator's Remuneration	NIL	(7,428.99)	(7,428.99)
NIL	Vat Receivable	NIL	(1,485.80)	(1,485.80)
0		NIL	(8,921.99)	(8,921.99)
0	CASH IN HAND	NIL	19,078.99	19,078.99

Appendix 3

BRIDGESTONES CHARGEOUT RATE SUMMARY

Client name: PHD1 Construction Ltd

Date: 01/07/2021

Time Spent for period: 08 May 2020 - 07 May 2021

Classification of work	Insolvency Practitioner hours	Senior Manager hours	Manager hours	Case Administrator hours	Support Staff hours	Total Hours	Total Cost	Average Rate
Statutory compliance, administration and planning	4.40	2.10	0.00	0.00	0.20	6.70	2,483.00	370.60
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	4.80	0.60	0.00	0.00	0.00	5.40	2,262.00	418.89
Bank	0.00	0.00	1.30	0.00	0.00	1.30	312.00	240.00
Creditors and Employees	0.00	0.30	0.20	0.00	0.00	0.50	123.00	246.00
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total hours	9.20	3.00	1.50	0.00	0.20	13.90	5,180.00	372.66
Total fees claimed								5,180.00
Invoiced								0.00
Balance written off /carried forward								5,180.00

Charge out rate in units of 6

Chargeout rates:	2021	2020	2019
Insolvency Practitioner	440	440	440
Senior Manager	300	270	270
Manager	240	240	240
Case Administrator	240	190	190
Support Staff	130	130	130

BRIDGESTONES CHARGEOUT RATE SUMMARY

Client name: PHD1 Construction Ltd

Date: 01/07/2021

Time Spent for period: 08 May 2019 - 07 May 2021

Classification of work	Insolvency Practitioner hours	Senior Manager hours	Manager hours	Case Administrator hours	Support Staff hours	Total Hours	Total Cost	Average Rate
Statutory compliance, administration and planning	4.50	11.40	0.30	0.00	0.60	16.80	4,968.00	295.71
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	5.50	2.30	0.00	0.00	0.00	7.80	2,995.00	383.97
Bank	0.00	0.00	1.50	0.00	0.00	1.50	360.00	240.00
Creditors and Employees	0.00	0.80	0.20	0.00	0.00	1.00	248.00	248.00
Case specific matters	0.00	0.00	0.00	0.00	45.00	45.00	4,500.00	100.00
Total hours	10.00	14.50	2.00	0.00	45.60	72.10	13,071.00	181.29
Total fees claimed								13,071.00
Invoiced								0.00
Balance written off /carried forward								13,071.00

Charge out rate in units of 6 minutes

Chargeout rates:	2021	2020	2019
Insolvency Practitioner	440	440	440
Senior Manager	300	270	270
Manager	240	240	240
Case Administrator	240	190	190
Support Staff	130	130	130