



To members and all known creditors

8 February 2013

Our ref: NK/AL/08022013/CONCRETE

Dear Sir/Madam

C. & G. Concrete Limited- In Creditors' Voluntary Liquidation

Please find enclosed our first progress report to members and all known creditors in the above liquidation.

If you have any queries in connection with the report, please contact Nada Karabinosova who will be pleased to deal with them.

Yours faithfully

A handwritten signature in black ink, appearing to read 'E. Williams', written over a light blue horizontal line.

Eddie Williams
Joint Liquidator

Nada.karabinosova@uk.pwc.com

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Enclosure: First progress report to members and all known creditors

Edward Williams and David Matthew Hammond have been appointed joint Liquidators. Both are licensed in the United Kingdom to act as insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

The joint liquidators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the liquidation.

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First progress report to members & creditors

8 February 2013

Company C. & G. Concrete Limited - in Liquidation

Registered Number 00613713

Registered address PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds
LS1 4JP

Type of Insolvency Creditors' Voluntary Liquidation

Date of Appointment 13 December 2011

Appointees Eddie Williams and Matthew Hammond

Address PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds
LS1 4JP

Dividend Prospects	Current estimate p in £	Previous estimate p in £
Preferential	100p/£	N/A
Unsecured	75p/£	N/A

Please note that the guidance on dividend prospects is indicative only. It should not be used as the sole or principal basis of any bad debt provision decision.

C. & G. Concrete Limited – In Creditors’ Voluntary Liquidation (“the Company”)

1 Report to Members & Creditors

In accordance with Rule 4.49C of the Insolvency Rules 1986 (“IR86”), this is our first progress report to members and all known creditors in the Liquidation. Attached at appendix A is a summary of the financial information relating to the Liquidation.

2 Appointment of Administrators

On 16 May 2011, Eddie Williams and Matthew Hammond of PricewaterhouseCoopers LLP were appointed joint administrators of the Company. The Administration was concluded on 13 December 2011, being the date the Company moved into Creditors’ Voluntary Liquidation.

3 Asset Realisations

The Company’s assets have been realised as follows:-

	Actual realisations
	£
Assets specifically pledged	
Sale of business (deferred consideration)	30,276.90
Interest received	945.57
	<hr/>
	31,222.47
	<hr/>
Actual realisations	
£	
Assets not specifically pledged	
Funds transferred from the Administrators	5,797,821.81
Third party funds	70,407.47
Book debts	13,682.57
Interest received gross	12,061.06
Refunds	8,161.36
Sundry receipts	4,130.27
Rent	3,730.18
Post appointment trading sales	3,209.24
Distributions received	499.92
	<hr/>
	5,913,703.88
	<hr/>

3.1 Sale of business

Deferred consideration of £30,000 and £276.90 has been received from the sale of the properties in Kelsey and Kettleby respectively. The sale completed in Administration and total consideration has been received in instalments. We do not expect any further realisations in respect of the sale of business.

3.2 Book debts

The total sum of £13,682.57 has been recovered in the Liquidation from book debts due to the Company. The majority of the Company’s book debts were recovered during the course of the Administration. No further realisations are expected from book debts.

3.3 Third party funds

Third party funds represent monies held on behalf of the purchaser following the sale of the business and the majority of the Company's assets in Administration. Work is currently being undertaken to reconcile the accounts and confirm the final position.

3.4 Miscellaneous

Interest received on investments and on interest bearing account for the period of this report total £12,061.06.

Refunds were received from utility providers and from councils for overpayment of charges incurred in the Administration. These total £310.64 and £7,850.72 respectively.

Sundry receipts relate to the compensation received from the purchaser, for the theft of diesel from the Sleaford concrete plant. Other receipts relate to rent received on behalf of the group company F.H. Gilman & Company that was subsequently paid over.

Rent was collected from the Head Lease holder of Grove Farm for the period prior to the appointment of Administrators. No further rent is expected to be received.

3.5 Aggregates levy claim

The Company may be able to reclaim a rebate on an aggregate levy which it paid between 2002 and 2011. This levy is an environmental tax on the commercial exploitation of aggregate in the UK. The British Aggregates Association submitted a challenge to the levy to the European Commission in 2002, and in 2012 the European General Court annulled part of the legislation that related to State Aid. The levy is being challenged in the UK Court of Appeal and so the position is still not finalised.

We submitted a claim to both HMRC and the High Court for repayment of aggregates levy payments. In accordance with Section 31 of the Finance Act 2001 and related provisions, we are claiming repayment of an amount of c.£6m paid by the Company. We are currently awaiting a response from HMRC but the likely outcome is still unknown.

3.6 Winding up petition

As previously reported in our proposals, on 12 May 2011 the petition for the winding up of the Company was advertised in the London Gazette. The petition was issued by the Company's major creditor due to an unpaid debt but it was understood by the Directors that it would not be advertised whilst discussions were ongoing. The directors of the Company believed that as a consequence of the advertisement, suppliers would decline to continue trading on normal credit terms. Therefore, they requested the Company be placed into an insolvency process.

We understand that the ultimate shareholder of the Company is considering to investigate the circumstances behind the advert being placed and if appropriate, we will consider any options available to the Company which would enhance realisations to the creditors as further information comes to light.

4 Outcome for Creditors

4.1 Secured Creditor

The HSBC Bank held a qualifying floating charge over the Company's assets dated 10 May 1971, together with a debenture dated 1 October 1998. At the date of the Administrators' appointment, the Bank was owed circa £6.2 million.

The Bank has now recovered its lending in full from the Company's asset realisations and received a final distribution from the Liquidation in the sum of £5,762.28.

4.2 Preferential Creditors

Preferential claims in this case represent amounts due for any unpaid pension scheme contribution.

We are aware of one preferential claim in the amount of £168.72. We can confirm that this claim will be paid in full within the next month.

4.3 Unsecured Creditors

An interim dividend of 65 pence in the pound was paid to unsecured creditors (whose claims had been admitted) in October 2012. A total of £3,175,644.03 was distributed against admitted claims totalling £4,986,925.15.

We are pleased to confirm that there are sufficient funds available to pay a further dividend. Based on assets realised to date, claims received and the director's statement of affairs, the estimated dividend is likely to be in the region of ten pence in the pound. This may change depending on final claims being agreed and final asset realisations. The timing of a further dividend will depend upon the conclusion of the outstanding assets detailed in Section 3 above.

Further details will be given in our next report to creditors.

In the circumstances of this case, the prescribed part provisions do not apply, as the floating charge was created prior to 15 September 2003.

5 Investigations

We have reviewed the affairs of the Company prior to Liquidation and have also considered the points raised by creditors in discharging our duties under the Company Directors' Disqualification Act 1986.

Creditors are reminded that we have a statutory obligation to consider the directors' conduct and to submit a return/report to the Insolvency Service. We can confirm that we have complied with this requirement.

6 Professional Advisers

On this assignment we have used the professional advisers listed below.

Name of Professional Adviser	Nature of Work	Basis of Fee Arrangement
DLA Piper LLP	Legal advice on litigation and claims agreement	Time cost
Shakespeares Legal LLP	Debt collection	Percentage of realisations
Herbert Smith LLP	Debt collection	Percentage of realisations
Ubiquis UK	Transcription services	Time cost
Rapido Print	Postage and printing	Fixed fee
Iron Mountain	Storage of books and records	Fixed fee

Our choice was based upon our perception of the advisers experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. We have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

7 Liquidators' remuneration

You may recall that the basis for our remuneration in the Administration under Rule 2.106 IR86 had been fixed by reference to the time properly given by the Administrators and the various grades of our staff according to the firm's usual charge out rates for work of this nature. In accordance with Rule 4.127 IR86, the remuneration basis agreed in the Administration will continue in the Liquidation.

To 12 December 2012, we have incurred time costs of £200,030. This represents 934 hours at an average hourly rate of £214. No fees have been drawn in the Liquidation to date. These figures include a change in charge out rates effective from 1 July 2012 for insolvency staff.

It has been our policy to delegate the routine administration of the Liquidation to junior staff in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Liquidators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Liquidators.

Details of the time costs incurred from our appointment to 12 December 2012, by work category, are attached at appendix B.

In common with all professional firms, scale rates increase from time to time over the period of the administration of each insolvency case. PricewaterhouseCoopers LLP, or any successor firm, reserves the right to change the rates and grade structure. Following our appointment, the charge out rates increased on 1 July 2012. Full details of the charge out rates charged to this case from this date are included at Appendix B.

8 Liquidators' disbursements

Our current policy for Category 2 disbursements, as approved by the creditors, is as follows:

1. Photocopying for circulars or any other bulk copying is charged at 5p per sheet;
2. Mileage – this is reimbursed at a maximum of 64p per mile (up to 2,000cc) and 81p per mile (over 2,000cc).

No Category 2 disbursements have been incurred.

All other disbursements are reimbursed at cost. We have incurred £203.98 in respect of other disbursements during the period 13 December 2011 to 12 December 2012.

9 Statement of expenses

The following expenses have been incurred during the period of the report:

Category	Incurred and paid (£)	Incurred but not paid (£)
Agents' fees	900.00	-
Bank charges	1.00	-
Office holder's fees	-	200,029.60
Office holder's expenses	-	203.98
Legal fees	40,119.09	6,166.00
Rent	20,296.03	-
Third party funds	11,486.70	-
Sundry receipts	5,200.00	-
Rates	2,491.68	-
Membership Fees	2,167.50	-
PAYE & NIC	746.00	-
Licenses & trade marks	720.00	-
Utilities	708.03	-
Agents' fees	357.50	-
Statutory advertising	199.30	-
Regulatory fees	169.34	-
Purchases	83.74	-
Bank charges	70.32	-
Storage costs	56.01	-
Total	148,486.09	206,399.58

In the Liquidation we discharged office holder's fees and expenses of £728,392.54 which were incurred in the Administration. Legal fees in the sum of £62,713.85 that were incurred in the Administration were paid in the Liquidation. These amounts are included in Appendix B.

10 Additional information

If any creditor requires further explanations on any aspect of this progress report, then please telephone or write to Nada Karabinosova who will be pleased to deal with such enquiries, however, any request for further information regarding the Liquidators' remuneration or disbursements should be made in writing (Rule 4.49E).

In addition, should any creditor consider our remuneration and disbursements to be excessive or inappropriate, they have the right to challenge the amounts in accordance with Rule 4.131 IR86.

An explanatory note giving creditors a statement of their rights in relation to the Liquidators' remuneration and expenses, and their rights to request further information, can be found online at:

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-liquidators-fees-final.pdf>

A copy may also be obtained free of charge by telephoning Nada Karabinosova on 0113 289 4230.

APPENDIX A

C. & G. Concrete Limited - in liquidation
Summary of financial information as at 12 December 2012

	Total from 13 December 2011 to 12 December 2012 (£)	Estimated Future Costs (£)	Estimated Final Outcome (£)
FIXED CHARGE			
Receipts			
Sale of business	30,276.90	-	30,276.90
Interest received gross	945.57	-	945.57
Total	31,222.47	-	31,222.47
Payments			
Agents' fees	900.00	-	900.00
Bank charges	1.00	-	1.00
Total	901.00	-	901.00
Distribution to chargeholder	5,762.28	-	5,762.28
Fixed charge balance	24,559.19	-	24,559.19
FLOATING CHARGE			
Receipts			
Book debts	13,682.57	-	13,682.57
Cash in hand	5,797,821.81	-	5,797,821.81
Third party funds	70,407.47	-	70,407.47
Interest received gross	12,061.06	-	12,061.06
Refunds	8,161.36	-	8,161.36
Sundry receipts	4,130.27	-	4,130.27
Post appointment trading sales	3,209.24	-	3,209.24
Rent	3,730.18	-	3,730.18
Distributions received	499.92	-	499.92
Total	5,913,703.88	-	5,913,703.88
Payments			
Prior appointee fees & expenses	728,392.54	-	728,392.54
Office holder's fees	-	250,000.00	250,000.00
Office holder's expenses	-	100.00	100.00
Legal fees	102,832.94	25,000.00	127,832.94
Rent	20,296.03	-	20,296.03
Third party funds	11,486.70	-	11,486.70
Sundry receipts	5,200.00	-	5,200.00
Rates	2,491.68	-	2,491.68
Membership Fees	2,167.50	-	2,167.50
PAYE & NIC	746.00	-	746.00
Licenses & trade marks	720.00	-	720.00
Utilities	708.03	-	708.03
Agents' fees	357.50	-	357.50
Statutory advertising	199.30	200.00	399.30
Regulatory fees	169.34	-	169.34
Purchases*	83.74	-	83.74
Bank charges	70.32	100.00	170.32
Storage costs	56.01	500.00	556.01
Closure expenses	-	5,000.00	5,000.00
Distribution to preferential creditors	-	168.72	168.72
Estimated distribution to unsecured creditors	3,175,644.03	1,605,572.69	4,781,216.72
Total	4,051,621.66	1,886,641.41	5,938,263.07
Floating charge balance	1,862,082.22	(1,886,641.41)	(24,559.19)
VAT receivable	(8,101.53)	-	-
Grand Total**	1,878,539.88	(1,886,641.41)	-

*Expense from trading period

** £1.6m held on investment account, balance held in an interest bearing account

Directors' statement of affairs has not be included in the above summary as all the assets were realised in the Administration.

C&G Concrete Ltd - in Liquidation

APPENDIX B

Summary of time costs and disbursements from 13 December 2011 to 12 December 2012

Classification of work	Partner / Director (Hrs)	Senior Manager / Manager (Hrs)	Senior Associate (Hrs)	Associate / Support (Hrs)	Total hours (Hrs)	Time cost (£)	Average hourly rate (£/hr)
Strategy and planning	20.5	9.5	8.5	6.2	44.6	15,095	338
Accounting and treasury	1.3	17.5	43.8	97.9	160.4	28,045.1	174.9
Statutory, reporting and other compliance	6.5	20.9	30.3	84.4	142.1	27,820.1	195.8
Sale of business	-	0.9	-	0.5	1.3	389.5	299.6
Freehold/leasehold property	1.0	18.1	1.2	3.1	23.4	8,027.3	343.8
Trading	-	0.2	0.8	8.4	9.4	1,387.9	148.4
Other assets	3.0	67.5	33.0	-	103.4	29,489.5	285.2
Employees / pensions	0.5	11.6	5.7	19.4	37.2	11,551.6	310.9
Investigations	-	1.6	-	3.8	5.3	1,042.2	196.6
Tax/VAT	-	6.8	7.7	14.5	29.0	6,522.6	225.3
Creditor enquiries & claims agreement	0.5	58.5	96.0	222.0	377.0	70,422.9	186.8
Closure/exit routes	-	0.5	0.5	-	1.0	235.5	235.5
Total to date	33.3	213.3	227.3	460.0	933.8	200,029.1	214.2

	to 30 June 2012	from 1 July 2012	
Current charge out rates	Liquidators' staff £/hr	Liquidators' staff £/hr	Specialist (max) £/hr
Grade			
Partner	520	540	750
Director	436	450	600
Senior manager	383	395	520
Manager	299	310	395
Senior Associate (qual)	226	233	285
Senior Associate (unqualified)	168	172	-
Associate	142	146	150
Support Staff	76	80	0

Set out here are the relevant charge-out rates per hour worked for the grades of the Liquidator's staff actually or likely to be involved on this assignment. Time is charged by reference to actual work carried out on the assignment. There has been no allocation of any general costs or overhead costs.

Specialist departments within PricewaterhouseCoopers LLP, such as Tax, VAT and Pensions, do sometimes charge a small number of hours, should we require their expert advice. Their rates do vary, however, the figures shown give an indication of the maximum rate per hour.

All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Each grade of staff is allocated an hourly charge out rate which is reviewed from time to time. Work undertaken by cashiers, support and secretarial staff is charged for separately and is not included in the hourly rates charged by partners or other members of staff. Time is charged by reference to actual work carried out on the assignment in 6 minute units. The minimum time chargeable is 3 minutes (i.e. 0.5 units).

Disbursements for services provided by the Liquidators' own firm (Category 2 disbursements)

	To 12 December 2012 (£)
Photocopying	-
Mileage	-
	203.98
Total	203.98

At 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying
 At a maximum of 64 pence per mile (up to 2,000cc) or 81 pence per mile (over 2,000cc)
 All other disbursements are charged at cost