



TO MEMBERS AND ALL KNOWN CREDITORS

10 February 2015

Our ref: KF/AT/C&G Concrete/CVL/20150202

Dear Sirs

**C & G Concrete Limited – in liquidation (“the Company”)**

Please find enclosed the liquidators’ third progress report to members and all known creditors in the above liquidation.

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

Yours faithfully

A handwritten signature in blue ink that reads 'R. C. Hale'.

Roger Hale  
Joint liquidator

katharyn.v.froggett@uk.pwc.com  
T: 0113 289 4155

*Roger Hale and David Matthew Hammond have been appointed as joint liquidators of the Company to manage its affairs, business and property as its agents without personal liability. Both are licensed to act in the United Kingdom 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.*

---

*PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP  
T: +44(0) 113 289 4000, F: +44(0)113 289 4460, [www.pwc.co.uk](http://www.pwc.co.uk)*

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.



## Third progress report to members &amp; creditors

10 February 2015

<b>Company</b>	<b>C. &amp; G. Concrete Limited - in liquidation</b>		
<b>Registered number</b>	<b>00613713</b>		
<b>Registered address</b>	<b>PricewaterhouseCoopers LLP Benson House 33 Wellington Street Leeds LS1 4JP</b>		
<b>Type of insolvency</b>	<b>Creditors' voluntary liquidation</b>		
<b>Date of appointment</b>	<b>13 December 2011</b>		
<b>Appointees</b>	<b>Roger Hale (from 29 December 2014) and David Matthew Hammond Edward Williams (to 29 December 2014)</b>		
<b>Address</b>	<b>PricewaterhouseCoopers LLP Benson House 33 Wellington Street Leeds LS1 4JP</b>		
<b>Dividend prospects</b>	<b>Current estimate</b>	<b>Previous estimate</b>	
	<b>p in £</b>	<b>p in £</b>	
	Preferential	100p/£	100p/£
	Unsecured	72p/£	72p/£

*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 and creditors

In accordance with Rule 4.49C of the Insolvency Rules 1986 (“IR86”), this is our third 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 Change of liquidator

After the period of this report, Eddie Williams left PwC. An application was made to court to facilitate his removal as joint liquidator and the appointment of Roger Hale in his place. Roger Hale is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The application was granted and, consequently, Roger Hale replaced Eddie Williams as joint liquidator with effect from 29 December 2014.

The cost of the application has been borne by PwC and not the Company’s estate.

### 3 Asset realisations

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

	13 December 2011 to 12 December 2013	13 December 2013 to 12 December 2014	Total 13 December 2011 to 12 December 2014
	£	£	£
<b>Assets specifically pledged</b>			
Sale of business	30,276.90	-	30,276.90
Interest received	945.57	-	945.57
	<u>31,222.47</u>	<u>-</u>	<u>31,222.47</u>
<b>Assets not specifically pledged</b>			
Funds transferred from the Administrators	5,784,530.89	-	5,784,530.89
Third party funds	70,407.47	-	70,407.47
Pre-appointment VAT refund	13,501.31	-	13,501.31
Book debts	12,494.57	-	12,494.57
Interest received gross	16,935.42	4,492.68	21,428.10
Refunds	8,161.36	993.33	9,154.69
Sundry receipts	4,130.27	-	4,130.27
Rent	3,730.18	-	3,730.18
Post-appointment trading sales	3,209.24	-	3,209.24
Distributions received	1,449.51	-	1,449.51
Contribution to costs	-	25,002.11	25,002.11
	<u>5,918,550.22</u>	<u>30,488.12</u>	<u>5,949,038.34</u>

#### 3.1 Interest received gross

Interest received on investments and on the interest bearing account for the period of this report total £4,492.68.

### *3.2 Refunds*

Refunds relate to reclaims of pre-appointment business rates totalling £887.64 and a miscellaneous refund of £105.69.

### *3.3 Aggregates levy claim*

As detailed in previous reports, the Company may be able to reclaim a rebate on an aggregate levy paid between 2002 and 2011. This levy is an environmental tax on the commercial exploitation of aggregate in the UK. The British Aggregates Association ("BAA") 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.

We have previously 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.

The BAA successfully asked the Court of Appeal in early April 2013 to reactivate their main case against the Levy.

Since then the European Commission opened a formal "phase II" investigation on 31 July 2013. This investigation is still ongoing and the Court of Appeal has to wait for the final decision of the Commission.

The likely outcome is unknown, and a final ruling on the argument for the repayment of the Levy would require further litigation in the UK and European courts.

### *3.4 Winding up petition*

As previously reported, 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 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.

The ultimate shareholder of the Company is looking into the circumstances behind the advert being placed and if appropriate, we will consider any options available to the Company as further information comes to light.

### *3.5 Contribution to costs*

We received £25,002 from an unsecured creditor of the Company as a contribution for the legal costs incurred in agreeing their unsecured claim.

## **4 Outcome for creditors**

### *4.1 Secured creditor*

As previously reported the secured creditor has now recovered its lending in full.

### *4.2 Preferential creditors*

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

There was one preferential claim in the amount of £171.40 submitted by The Redundancy Payments Service. This claim was paid in full on 18 February 2014.

### 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. In addition, a catch-up interim dividend totalling £41,694.00 was paid in May 2013.

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 7 pence in the pound. This may change depending on final claims being agreed, final asset realisations and future costs of the liquidation. This estimate does not take into account further costs (or realisations) which may be incurred as a result of the investigations detailed in Section 3.

The timing of a further dividend will depend upon the conclusion of outstanding issues detailed in Section 3. Further details will be given in our next report to creditors.

The claims agreement is ongoing and certain claims have yet to be adjudicated. The agreement of certain creditor claims is proving to be challenging and requiring ongoing legal advice. A summary of the claims agreement summary is given below:

Description	Number of claims	Value of claims
		£
Claims as per Statement of Affairs	166	4,486,429
Received	164	5,404,343
Claims agreed	132	4,949,807
Claims not yet agreed	2	256,273
Claims withdrawn	45	95,569
Claims rejected	3	102,694
Claims awaited	53	944,844

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 Professional advisers

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

Name of professional adviser	Nature of work	Basis of fee arrangement	Amount paid in period (£)
DLA Piper LLP	Legal advice on litigation and claims agreement	Time cost	38,151.40
Gateley LLP	Legal advice on winding up petition	Time cost	-
Shakespeares Legal LLP	Debt collection	Percentage of realisations	-
Herbert Smith LLP	Debt collection	Percentage of realisations	-
Ubiquus UK	Transcription services	Time cost	-
Rapido Print	Postage and printing	Fixed fee	-
Iron Mountain	Storage of books and records	Fixed fee	-
Capa Property Limited	Recovery of rates refunds	Percentage of realisations	177.53

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.

## **6 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 2014, we have incurred time costs of £348,656. This represents 1,442 hours at an average hourly rate of £241. Against this, £147,998 has been drawn and the balance will be drawn in due course. These figures include a change in charge out rates effective from 1 July 2014 for insolvency staff.

It has been our policy to delegate routine tasks in 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.

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),

Details of the time costs incurred from our last report to 12 December 2013, by work category, are attached at Appendix B. The key areas of work carried out during this period have been:

<b>Area of work</b>	<b>Work undertaken in the period includes</b>
Strategy and planning	<ul style="list-style-type: none"> <li>• Internal team briefings on case progression and resolution of outstanding issues</li> <li>• Review of ongoing litigation</li> </ul>
Accounting and treasury	<ul style="list-style-type: none"> <li>• Periodic bank reconciliations</li> <li>• Arranging payments of costs of the liquidation</li> </ul>
Statutory, reporting and other compliance	<ul style="list-style-type: none"> <li>• Preparing and circulating annual reports to creditors</li> <li>• Regular internal case reviews</li> </ul>

Administration	<ul style="list-style-type: none"> <li>• Dealing with items of post</li> <li>• General case administration</li> <li>• Administration relating to the change in appointment taker</li> </ul>
Other assets	<ul style="list-style-type: none"> <li>• Investigating possibility of further book debts realisations</li> <li>• Investigating possibility of realisations from group companies</li> </ul>
Tax/VAT	<ul style="list-style-type: none"> <li>• Preparing and submitting corporation tax returns</li> <li>• Arranging ongoing reclaims of input VAT</li> <li>• Preparing VAT bad debt relief claim</li> </ul>
Creditor enquiries & claims agreement	<ul style="list-style-type: none"> <li>• Undertaking the claims agreement process</li> <li>• Liaising with solicitors regarding a number of claims</li> <li>• Dealing with complications which have arose due to dormant group companies</li> <li>• Dealing with creditor enquiries</li> <li>• Agreeing and paying preferential claim</li> </ul>

In common with all professional firms, scale rates increase from time to time over the period of the administration of each insolvency case. PwC, or any successor firm, reserves the right to change the rates and grade structure. Following our previous report, the charge out rates increased on 1 July 2014. Full details of the charge out rates charged to this case from 13 December 2013 to 12 December 2014 are included below.

	<b>Insolvency (£/hr)</b> <i>From 1 July 2014</i>	<b>Insolvency (£/hr)</b> <i>To 1 July 2014</i>	<b>Specialist (max) (£/hr)</b>
<b>Grade</b>			
Partner	575	555	1130
Director	480	465	1040
Senior Manager	415	405	875
Manager	330	320	630
Senior Associate	250	240	465
Associate	160	152	225
Support Staff	85	112	130

Specialist departments within PwC, such as tax, VAT, property and pensions, sometimes charge a small number of hours should the liquidators require their expert advice. Their rates vary, however, the figures given provide an indication of the maximum rate per hour.

## **7 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 71p per mile (up to 2,000cc) and 93p per mile (over 2,000cc).

All other disbursements are reimbursed at cost.

During the year to 12 December 2014 we have incurred costs of £223.03 and £431.45 in respect of photocopying and mileage respectively. We have also incurred other disbursements of £287.67, primarily relating to postage costs for circulating creditor reports.

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/en/technical/insolvency/creditors-guides>

A copy may also be obtained free of charge by telephoning Katharyn Froggett on 0113 289 4155.

## **8 Statement of expenses**

A statement of expenses is included at Appendix C.

## **9 Additional information**

If any creditor requires further explanations on any aspect of this progress report, then please telephone or write to Katharyn Froggett 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 IR86).

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.

## C. &amp; G. Concrete Limited – in liquidation

## Summary of financial information as at 12 December 2014

	13 December 2011 to 12 December 2013 (£)	13 December 2013 to 12 December 2014 (£)	Total 13 December 2011 to 12 December 2014 (£)	Estimated Future Costs (£)	Estimated Final Outcome (£)
<b>FIXED CHARGE</b>					
<b>Receipts</b>					
Sale of business	30,276.90	-	30,276.90	-	30,276.90
Interest received gross	945.57	-	945.57	-	945.57
<b>Total</b>	<b>31,222.47</b>	<b>-</b>	<b>31,222.47</b>	<b>-</b>	<b>31,222.47</b>
<b>Payments</b>					
Agents' fees	900.00	-	900.00	-	900.00
Bank charges	1.00	-	1.00	-	1.00
<b>Total</b>	<b>901.00</b>	<b>-</b>	<b>901.00</b>	<b>-</b>	<b>901.00</b>
Distribution to chargeholder	5,762.28	-	5,762.28	-	5,762.28
<b>Fixed charge balance</b>	<b>24,559.19</b>	<b>-</b>	<b>24,559.19</b>	<b>-</b>	<b>24,559.19</b>
<b>FLOATING CHARGE</b>					
<b>Receipts</b>					
Book debts	12,494.57	-	12,494.57	-	12,494.57
Funds transferred from administrators	5,784,530.89	-	5,784,530.89	-	5,784,530.89
Third party funds	70,407.47	-	70,407.47	-	70,407.47
Interest received gross	16,935.42	4,492.68	21,428.10	-	21,428.10
Refunds	8,161.36	993.33	9,154.69	-	9,154.69
Sundry receipts	4,130.27	-	4,130.27	-	4,130.27
Post appointment trading sales	3,209.24	-	3,209.24	-	3,209.24
Rent	3,730.18	-	3,730.18	-	3,730.18
Distributions received	1,449.51	-	1,449.51	-	1,449.51
Pre appointment VAT refund	13,501.31	-	13,501.31	-	13,501.31
Contribution to costs	-	25,002.11	25,002.11	-	25,002.11
<b>Total</b>	<b>5,918,550.22</b>	<b>30,488.12</b>	<b>5,949,038.34</b>	<b>-</b>	<b>5,949,038.34</b>
<b>Payments</b>					
Prior appointee fees & expenses (time cost basis)	728,392.54	-	728,392.54	-	728,392.54
Office holder's fees (time cost basis)***	147,998.00	-	147,998.00	272,002.00	420,000.00
Office holder's expenses	881.51	-	881.51	1,500.00	2,381.51
Legal fees***	140,049.44	38,151.40	178,200.84	50,000.00	228,200.84
Legal disbursements	41.40	-	41.40	-	41.40
Rent	20,323.52	-	20,323.52	-	20,323.52
Third party funds	11,486.70	-	11,486.70	-	11,486.70
Sundry receipts	5,200.00	-	5,200.00	-	5,200.00
Rates	2,491.68	-	2,491.68	-	2,491.68
Membership Fees	2,167.50	-	2,167.50	-	2,167.50
PAYE & NIC	746.00	-	746.00	-	746.00
Licenses & trade marks	720.00	-	720.00	-	720.00
Utilities	7,890.39	-	7,890.39	-	7,890.39
Agents' fees	357.50	177.53	535.03	-	535.03
Statutory advertising	272.92	-	272.92	200.00	472.92
Regulatory fees	169.34	-	169.34	-	169.34
Purchases*	83.74	-	83.74	-	83.74
Bank charges	187.52	32.76	220.28	100.00	320.28
Storage costs	56.01	-	56.01	450.00	506.01
Repairs & maintenance	-	9,727.79	9,727.79	9,500.00	19,227.79
Miscellaneous closure expenses***	-	-	-	30,000.00	30,000.00
Distribution to preferential creditors at 100%	-	171.40	171.40	-	171.40
Distribution to unsecured creditors (estimated 72p in the £)	3,217,338.03	-	3,217,338.03	1,274,730.91	4,492,068.94
<b>Total</b>	<b>4,286,853.74</b>	<b>48,260.88</b>	<b>4,335,114.62</b>	<b>1,638,482.91</b>	<b>5,973,597.53</b>
<b>Floating charge balance</b>	<b>1,631,696.48</b>	<b>(17,772.76)</b>	<b>1,613,923.72</b>	<b>(1,638,482.91)</b>	<b>(24,559.19)</b>
VAT receivable	(7,737.05)	7,270.18	(466.87)	466.87	-
<b>Grand Total**</b>	<b>1,648,518.62</b>	<b>(10,502.58)</b>	<b>1,638,016.04</b>	<b>(1,638,016.04)</b>	<b>-</b>

\*Expense from trading period

\*\* £1.55m held on investment account, balance held in an interest bearing account

\*\*\* The above estimates do not take into account any further costs which may be incurred due to pursuing the issues detailed in Section 3. Directors' statement of affairs has not been included in the above summary as all the assets were realised in the administration.

**C. & G. Concrete Limited – in liquidation**

**Appendix B**

**Analysis of time costs for the period 13 December 2013 to 12 December 2014**

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	17.75	9.55	0.75	19.00	47.05	14,082.65	299.31
Accounting and treasury	-	2.60	6.75	13.85	23.20	4,239.65	182.74
Statutory, reporting and other compliance	4.00	19.50	4.10	23.65	51.25	13,957.30	272.34
Administration	3.25	23.60	1.00	1.85	29.70	11,805.95	397.51
Sale of business	-	-	-	-	-	-	-
Freehold/leasehold property	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-
Other assets	-	10.65	-	-	10.65	4,089.25	383.97
Employees / pensions	-	-	-	-	-	-	-
Investigations	4.00	-	-	-	4.00	1,920.00	480.00
Tax/VAT	1.80	6.10	18.30	5.70	31.90	10,935.50	342.81
Creditor enquiries & claims agreement	5.75	0.85	6.75	5.85	19.20	4,952.25	257.93
Closure/exit routes	-	-	-	-	-	-	-
<b>Total for 13 December 2013 to 12 December 2014</b>	<b>36.55</b>	<b>72.85</b>	<b>37.65</b>	<b>69.90</b>	<b>216.95</b>	<b>65,982.55</b>	<b>304.14</b>
Brought forward from 13 December 2011 to 12 December 2013	66.90	293.30	309.90	555.90	1,225.30	282,673.90	230.70
<b>Total to 12 December 2014</b>	<b>103.45</b>	<b>366.15</b>	<b>347.55</b>	<b>625.80</b>	<b>1,442.25</b>	<b>348,656.45</b>	<b>241.74</b>

Disbursements for services provided by the Liquidators' own firm (Category 2 disbursements)		From 13 December 2013 to 12 December 2014
		(£)
Photocopying	At 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying	223.03
Mileage	At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	431.45
	All other disbursements are charged at cost	287.67
<b>Total for 13 December 2013 to 12 December 2014</b>		<b>942.15</b>
Brought forward from 13 December 2011 to 12 December 2013		954.10
<b>Total to 12 December 2014</b>		<b>1,896.25</b>

## Statement of expenses

	Total expenses brought forward from 12 December 2014 (£)	Total expenses paid to 13 December 2014 (£)	Expenses outstanding at 13 December 2014 (£)	Expenses incurred in this period (£)	Total expenses to 13 December 2014 carried forward (£)
Agents' fees	900.00	900.00	-	-	900.00
Bank charges	1.00	1.00	-	-	1.00
Prior appointee fees and expenses	728,392.54	728,392.54	-	-	728,392.54
Office holder's fees	282,730.50	147,998.00	200,715.05	65,982.55	348,713.05
Office holder's expenses	954.10	881.51	1,014.74	942.15	1,896.25
Legal fees	84,511.59	178,200.84	3,047.00	96,736.25	181,247.84
Legal disbursements	41.40	41.40	38.00	38.00	79.40
Rent	20,296.03	20,323.52	-	27.49	20,323.52
Third party funds	11,486.70	11,486.70	-	-	11,486.70
Sundry receipts	5,200.00	5,200.00	-	-	5,200.00
Rates	2,491.68	2,491.68	-	-	2,491.68
Membership fees	2,167.50	2,167.50	-	-	2,167.50
PAYE & NIC	746.00	746.00	-	-	746.00
Licenses & trademarks	720.00	720.00	-	-	720.00
Utilities	7,890.39	7,890.39	-	-	7,890.39
Agents' fees	357.50	535.03	-	177.53	535.03
Statutory advertising	272.92	272.92	-	-	272.92
Regulatory fees	169.34	169.34	-	-	169.34
Purchases	83.74	83.74	-	-	83.74
Bank charges	187.52	220.28	-	32.76	220.28
Storage costs	56.01	56.01	-	-	56.01
Repairs & maintenance	-	9,727.79	-	9,727.79	9,727.79
	<b>1,149,656.46</b>	<b>1,118,506.19</b>	<b>204,814.79</b>	<b>173,664.52</b>	<b>1,323,320.98</b>