

# Joint liquidators' progress report from 29 August 2019 to 28 August 2020

**Milbrooke Construction Limited - in Liquidation**

28 October 2020

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# Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
<b>Administrator</b>	Kevin Lucas of Lucas Johnson
<b>Committee</b>	A group of three creditors disclosed in the report under the section headed Liquidation Committee
<b>Company</b>	Milbrooke Construction Limited – in Liquidation
<b>CVL</b>	Creditors' voluntary liquidation
<b>Firm</b>	PricewaterhouseCoopers LLP
<b>HMRC</b>	HM Revenue & Customs
<b>IA86</b>	Insolvency Act 1986
<b>IR16</b>	Insolvency (England and Wales) Rules 2016
<b>Joint Liquidators</b>	Ross David Connock and Zelf Hussain
<b>preferential creditors</b>	Generally, claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
<b>prescribed part</b>	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
<b>secured creditors</b>	Creditors with security in respect of their debt, in accordance with Section 248 IA86
<b>unsecured creditors</b>	Creditors who are neither secured nor preferential

This report has been prepared by Ross David Connock and Zelf Hussain as Joint Liquidators of the Company, solely to comply with the Joint Liquidators' statutory duty to report to creditors under IR16 on the progress of the liquidation, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company. Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Liquidators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Liquidators' previous reports issued to the Company's creditors, which can be found at [www.pwc.co.uk/milbrooke](http://www.pwc.co.uk/milbrooke). Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Ross David Connock and Zelf Hussain have been appointed as Joint Liquidators of the Company. 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 bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Liquidators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Liquidators.

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# Key messages

## Why we've sent you this report

I'm writing to update you on the progress of the liquidation of the Company in the 12 months since our last report dated 24 October 2019.

You can still view our earlier reports on our website at [www.pwc.co.uk/milbrooke](http://www.pwc.co.uk/milbrooke).

## How much creditors have received

The following table summarises the possible outcome for creditors <sup>1</sup>, based on what we currently know.

Class of creditor	Current estimate (p in £)	Previous estimate (p in £)
Secured creditor	N/A	N/A
Preferential creditors	100 (paid)	100
Unsecured creditors	4 - 7 (Interim dividend of 1.62p paid in January 2019)	5 -10

## What you need to do

We've asked for outstanding claims from unsecured creditors so that we can agree them for dividend purposes.

If you haven't already done so, please send your claim to us so that we can agree it. A claim form can be downloaded from our website at [www.pwc.co.uk/milbrooke](http://www.pwc.co.uk/milbrooke) or you can get one by telephoning Madeline Finkill on 0113 289 4075.

# Outcome for creditors

## Secured creditors

The Company's secured creditor advised the Administrators that there was no outstanding liability due.

## Preferential creditors (mainly employees)

We paid preferential creditors in full on 16 May 2018 with the distribution totalling £14,243.66.

## Unsecured creditors

Dividends become available for unsecured creditors when there are sufficient funds (after costs of the liquidation) to pay the secured and preferential creditors in full, with an amount left over. In certain circumstances, part of the amount available for secured creditors may be ring-fenced for the benefit of unsecured creditors. This prescribed part is paid out of 'net property', which is floating charge realisations after costs, and after paying - or setting aside enough to pay - preferential creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003. Although in this instance, there is a floating charge created after 15 September 2003, the secured creditor has confirmed that it had no liability outstanding at the date of administration and therefore its floating charge security has no relevance in this instance.

We have estimated the final distribution position to creditors on between 4 and 7p in the £, with the final dividend amount being dependent on the outcome of the ongoing litigation, any further book debts being recovered, the agreement of the costs of the liquidation and the final level of claims admitted for dividend. This estimate has decreased from our previous estimate of 5-10p in the £ due to the fact we have remained in office longer than expected. The reasons for the delays are explained later in this report along with the steps we have taken to mitigate these increased costs.

As all unsecured creditors will be aware, we declared and paid an interim dividend of 1.62p in the £ on 23 January 2019.

# Progress since we last reported

## Realisation of assets – Book Debts

As previously reported, at the time that the Company went into Administration it had a book debt ledger with a book value of £1,092,626. The Administrators instructed Naismiths to assist in the collection and they have realised a total of £24,204.17.

The book debt ledger is made up of both completed contracts and work in progress. Due to the nature of the Company's business, there was typically a 2 year defect period on completed work before debts became due to be settled. During the period, Naismiths concluded that they believed the remaining book debt ledger to be irrecoverable as many customers were consolidating their debt between completed and unfinished contracts to offset balances owing against counterclaims they have.

As we believed there was still a prospect of further realisations, we instructed Pythagoras Capital Limited ("Pythagoras") who were willing to review the remaining ledger and undertake recoveries on a wholly contingent fee basis linked to realisations. We considered this to be in the interest of creditors whilst we remain in office to finalise the ongoing litigation disclosed below. We therefore settled Naismith's costs and arranged for a handover of the ledger to Pythagoras. To date, Pythagoras have written to all customers with a balance outstanding and are working through the responses to determine the estimated recovery.

While we are currently unable to provide an estimate for any future recoveries, future agents fees will only be incurred should there be a return to the estate, and therefore to the unsecured creditors.

## Realisation of assets – Ongoing Costs Claim

We disclosed in our last report that the Company had an ongoing costs claim against a customer for significant legal fees incurred by the Company prior to the Administration. We have continued to pursue this claim through our lawyers, and we prepared for a final assessment hearing scheduled for the Spring of 2020. However, due to restrictions imposed as a result of Covid-19, this hearing date has been deferred significantly.

Currently, the final assessment hearing has been moved back to November 2020 and we currently expect this to take place.

The costs claim and the book debt realisations are the final assets to realise in the liquidation and the final dividend payable to creditors depends on their outcome. Once we deem that there is no further value to be realised, we can then look to distribute the second and final dividend to creditors.

## Statutory and compliance

We have fulfilled our duties as Liquidators in respect of: reporting to the creditors; filing our annual report and accompanying notices with the Registrar of Companies; and have completed our VAT and tax responsibilities. Prior to closure, we will seek tax clearance from HMRC.

## Liquidation committee

On 7 July 2017, during the meeting of creditors, creditors decided to form a creditors' committee consisting of the following members:

1. Moreton C Cullimore (Gravel) Limited
2. Creoda Limited
3. Byfield Services Limited

As we explained in our last report it transpired that the Committee was never formally established by the Administrators and it was suggested that the status of the Committee's formation could be considered ambiguous.

Therefore, we sought to ratify the Committee formally by way of a creditors decision procedure. On 11 November 2019, the existing formation of the Liquidation Committee was ratified.

We have continued to liaise with the Liquidation Committee as and when appropriate, and are currently dealing with an issue they raised concerning the Administration period. We are currently seeking the necessary advice and will take further action should we deem it beneficial to the creditors to do so.

Creditors will recall that a remuneration report dated 11 April 2018 was originally approved by the Liquidation Committee, which provided the Joint Liquidators with a fees estimate of £102,950. Following the formal circulation of the report (which can be seen on the case website [www.pwc.co.uk/milbrooke](http://www.pwc.co.uk/milbrooke)), the Liquidation Committee challenged this fees estimate and provisionally it was agreed that the Joint Liquidators would limit fees to £78,441.50. The Joint Liquidators will however seek further discussion with the Liquidation Committee with the scope to reflect additional time costs that have been incurred primarily as a result of the delay in respect of the Ongoing Costs Claim.

## Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

## Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the liquidation from 29 August 2019 to 28 August 2020.

## Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

The statement excludes any potential tax liabilities that we may need to pay as a liquidation expense in due course because amounts due will depend on the position at the end of the tax accounting period.

## Our fees

We set out in Appendix C an update on our fees, disbursements and other related matters.

## Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge our fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

[http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2015/guide\\_to\\_liquidators\\_fees\\_oct\\_2015.ashx?la=en](http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2015/guide_to_liquidators_fees_oct_2015.ashx?la=en)

You can also get a copy free of charge by telephoning Madeline Finkill at [madeline.finkill@pwc.com](mailto:madeline.finkill@pwc.com).

## What we still need to do

As explained in this report, we are currently awaiting the outcome of the ongoing costs claim, and the book debt realisation process now being undertaken by Pythagoras. We expected the costs claim to be concluded earlier this year but unfortunately this has been delayed most recently by Covid-19. The most recent advice is that the final assessment hearing is expected to still take place in November 2020 whether physically or virtually.

Once the litigation has concluded and if we deem there to be no further book debt realisations, we will then be in a position to distribute the second and final dividend to unsecured creditors and complete statutory formalities in order to bring the Liquidation to an end.



## Next report

We expect to send our next report to creditors at the end of the liquidation or in about 12 months, whichever is the sooner.

If you've got any questions, please get in touch with Madeline Finkill at [madeline.finkill@pwc.com](mailto:madeline.finkill@pwc.com).

Yours faithfully

A handwritten signature in black ink, appearing to be 'Ross Connock', with a long horizontal flourish extending to the right.

**Ross Connock**  
Joint liquidator

# Appendices

# Appendix A: Receipts and payments

Milbrooke Construction Limited - in Liquidation				
Receipts and Payments account				
Previously estimated by the Administrators		29 August 2017 to 28 August 2019	29 August 2019 to 28 August 2020	Total
	Receipts	(£)	(£)	(£)
300	Motor vehicles	-	-	-
100	Stock	-	-	-
	IT equipment	1,283.00	-	1,283.00
	Funds from the administration	359,885.10	-	359,885.10
Uncertain	Book debts	6,257.47	17,946.70	24,204.17
	Book debts held by agent **	17,946.70	(17,946.70)	-
Uncertain	Litigation (costs settlement)	21,579.95	-	21,579.95
	Interest	2,504.26	149.20	2,653.46
	Rates refund	453.71	-	453.71
	<b>Total</b>	<b>409,910.19</b>	<b>149.20</b>	<b>410,059.39</b>
	<b>Payments</b>			
	Legal fees	(30,048.85)	(5,364.85)	(35,413.70)
	Professional fees	(9,750.00)	-	(9,750.00)
	Statutory advertising	(148.00)	-	(148.00)
	Liquidators fees	-	(78,441.50)	(78,441.50)
	Liquidators disbursements	-	-	-
	Insurance	(812.63)	-	(812.63)
	Agents fees	(323.09)	(10,101.82)	(10,424.91)
	Corporation Tax liability	-	(30.02)	(30.02)
	<b>Total</b>	<b>(41,082.57)</b>	<b>(93,938.19)</b>	<b>(135,020.76)</b>
	Preferential dividend at 100p in the £ declared on 16 May 2018	(14,243.66)	-	(14,243.66)
	Unsecured dividend at 1.62p in the £ declared on 23 January 2019	(68,155.19)	-	(68,155.19)
	Vat Control Account	(1,766.02)	(18,024.75)	(19,790.77)
	<b>Balance at bank*</b>	<b>284,662.75</b>	<b>(111,813.74)</b>	<b>172,849.01</b>
	*Funds held in an interest bearing account			
	** Funds held in a separate trust account			

## Notes to the R&P

1. Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or exclude monies which will be received in due course from HMRC as shown in the VAT Control Account.
2. As explained further in Appendix C, our fees are based on a time costs basis. The receipts and payments account shows the amount paid in the period and total to date.
3. On 16 May 2018 we paid a dividend to preferential creditors at the rate of 100p in the £ and on 23 January 2019 we paid an interim dividend to unsecured creditors at the rate of 1.62p in the £.

# Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as liquidators from the estate and includes our fees, but excludes distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as a liquidation expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

	Incurring to 28 August 2019	Incurring during the period	Total	Estimated future to incur	Anticipated total	Initial estimate	Variance
	£	£	£	£	£	£	£
<b>Liquidation expenses</b>							
Insurance	812.63	-	812.63	-	812.63	215.33	(597.30)
Advertising costs	148.00	-	148.00	77.00	225.00	146.00	(79.00)
Bank charges	-	-	-	60.00	60.00	60.00	-
Legal fees	30,048.85	5,364.85	35,413.70	13,162.49	48,576.19	45,576.19	(3,000.00)
Agents fees*	9,784.91	640.00	10,424.91	Uncertain	Uncertain	14,000.00	Uncertain
Professional fees	9,750.00	-	9,750.00	2,000.00	11,750.00	10,000.00	(1,750.00)
Liquidators time costs	119,675.25	34,045.75	153,721.00	40,000.00	193,721.00	102,950.00	(90,771.00)
Liquidators disbursements	1,331.28	390.14	1,721.42	400.00	2,121.42	796.48	(1,324.94)
<b>Total</b>	<b>171,550.92</b>	<b>40,440.74</b>	<b>211,991.66</b>	<b>55,699.49</b>	<b>257,266.24</b>	<b>173,744.00</b>	<b>(97,522.24)</b>

\*As explained earlier in this report, during the period we have instructed Pythagoras to review and recover any remaining book debts on a percentage of realisations basis. Our current agent's costs incurred relate to Naismiths, our former book debt collection agent. Further agents fees will only be incurred if there is a recovery from the book debts.

Our expenses have exceeded the estimate provided to all creditors before the basis of our fees was fixed. This is because mainly due to the assumption that all matters would have been resolved within 2 years and therefore our increased time costs were not taken into account. The reason we have remained in office as explained in this report is due to the ongoing litigation that has unfortunately been significantly delayed and most recently by Covid-19. However, the final assessment hearing is due to take place in November 2020 and therefore once the outcome is determined, we can proceed to distribute the final dividend to unsecured creditors and bring the liquidation to an end.

# Appendix C: Remuneration update

Our fees were approved on a time costs by the Liquidation Committee as the fee approving body. Subject to my prior comments earlier in this report, this approval allows us to draw fees by reference to the time properly given by us and our staff in dealing with the liquidation. We have drawn fees of £78,441.50 in line with the approval given, as shown on the enclosed receipts and payments account.

The time cost charges incurred in the period covered by this report are £34,045.75. This amount does not necessarily reflect how much we will eventually draw as fees for this period.

We have exceeded our initial estimate of £102,981 as explained previously as our initial fees estimate assumed that we would remain in office for 2 years. However, due to the circumstances of the case, we have determined that it is beneficial to remain in office to continue to seek recovery from the ongoing litigation. Should we think it is appropriate to seek fee approval in excess of £102,981, we will seek the agreement of the Liquidation Committee.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

## Our hours and average rates

Aspect of assignment	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £
1 Accounting and treasury	-	-	-	0.45	4.25	7.05	11.75	2,922.25	248.70
2 Assets	-	0.25	-	10.90	6.50	-	17.65	6,614.50	374.76
3 Creditors	-	-	-	0.45	0.50	1.30	2.25	610.25	271.22
4 Creditors committee	-	-	-	2.70	0.80	-	3.50	1,380.00	394.29
5 Employees and pensions	-	-	-	-	0.40	-	0.40	124.00	310.00
6 Investigations	-	-	-	-	-	-	-	-	-
7 Statutory and compliance	-	0.50	1.30	9.85	12.45	0.60	24.70	8,939.25	361.91
8 Strategy and planning	0.50	0.75	1.15	9.20	4.15	-	15.75	6,549.00	415.81
9 Tax and VAT	-	-	0.50	3.65	6.80	7.65	18.60	6,906.50	371.32
<b>Total for the period</b>	<b>0.50</b>	<b>1.50</b>	<b>2.95</b>	<b>37.20</b>	<b>35.85</b>	<b>16.60</b>	<b>94.60</b>	<b>34,045.75</b>	<b>359.89</b>
<b>Brought forward at 29 August 2019</b>							<b>430.25</b>	<b>119,675.25</b>	
<b>Total</b>							<b>524.85</b>	<b>153,721.00</b>	

Aspect of assignment	Total hours	Total time cost £	Average hourly rate £	Initial estimate £	Variance £
Accounting and treasury	43	9,587	226	6,002	(3,585)
Assets	50	17,058	344	8,915	(8,143)
Creditors	169	44,415	263	32,579	(11,836)
Creditors committee	58	17,961	309	20,135	2,174
Employees and pensions	1	428	357	440	12
Investigations	6	1,932	325	1,768	(164)
Statutory and compliance	72	20,440	284	17,718	(2,722)
Strategy and planning	61	21,808	359	5,740	(16,068)
Tax & VAT	66	20,092	304	9,654	(10,438)
<b>Total for the case</b>	<b>525</b>	<b>153,721</b>	<b>293</b>	<b>102,951</b>	<b>(50,770)</b>

## Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the liquidation. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them

properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the liquidation (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. For the avoidance of doubt, work carried out by our cashiers, support and secretarial staff is charged on a time costs basis and is included in the analysis of hourly rates charged by partners or other staff members. Time is charged in three minute units (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the liquidation.

Grade	Up to 30 June 2020 £	From 1 July 2020£
<b>Partner</b>	690	850
<b>Director</b>	595	720
<b>Senior Manager</b>	515	585
<b>Manager</b>	405	475
<b>Senior Associate</b>	310	390
<b>Associate</b>	210	245
<b>Support staff</b>	120	125

We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	Up to 30 June 2020 £	From 1 July 2020 £
<b>Partner</b>	1,315	1,450
<b>Director</b>	1,210	1,396
<b>Senior Manager</b>	1,230	1,075
<b>Manager</b>	735	775
<b>Senior Associate – Consultant</b>	545	575
<b>Associate – Assistant consultant</b>	270	400
<b>Support staff</b>	160	170

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

## Payments to associates

We have not made any payments to associates during the period of this report.

## Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff.

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors or whether it was required by statute
<b>Accounting and treasury</b>		
<ul style="list-style-type: none"> <li>Regular reconciliations of the bank account; and</li> <li>Entering receipts and payments into the accounting system.</li> </ul>	<ul style="list-style-type: none"> <li>To ensure the proper management of the funds of the estate.</li> </ul>	<ul style="list-style-type: none"> <li>To ensure the proper management of the funds that will in due course be distributed to creditors.</li> </ul>
<b>Assets</b>		
<ul style="list-style-type: none"> <li>Liaising with our solicitors and review of the ongoing costs claim;</li> <li>Agreeing the strategy for pursuing the ongoing costs claim;</li> <li>Liaising with our agent regarding the book debt ledger; and</li> <li>Instructing Pythagoras on a percentage of realisations basis to continue recovery of the book debt ledger.</li> </ul>	<ul style="list-style-type: none"> <li>To recover the maximum value for assets.</li> </ul>	<ul style="list-style-type: none"> <li>To realise the maximum funds to be distributed to the creditors.</li> </ul>
<b>Creditors</b>		
<ul style="list-style-type: none"> <li>Responding to adhoc creditor queries.</li> </ul>	<ul style="list-style-type: none"> <li>To provide creditors with information requested.</li> </ul>	<ul style="list-style-type: none"> <li>To ensure the correct distribution of funds.</li> </ul>
<b>Creditors Committee</b>		
<ul style="list-style-type: none"> <li>Formal constitution of the Liquidation Committee following a decision procedure; and</li> <li>Review of queries raised by the Liquidation Committee and seeking relevant legal advice in respect of these queries.</li> </ul>	<ul style="list-style-type: none"> <li>To inform creditors of matters in their interest.</li> </ul>	<ul style="list-style-type: none"> <li>To inform creditors of matters in their interest</li> </ul>
<b>Statutory and Compliance</b>		
<ul style="list-style-type: none"> <li>Preparing and circulating the second annual report;</li> <li>Conducting case reviews every six months;</li> <li>Management of books and records held for statutory purposes.</li> </ul>	<ul style="list-style-type: none"> <li>To meet the statutory duties of the Liquidators.</li> </ul>	<ul style="list-style-type: none"> <li>Statutory duties of the Liquidators.</li> </ul>
<b>Strategy and Planning</b>		
<ul style="list-style-type: none"> <li>Holding team meetings to discuss the status of the liquidation and the timing of an interim unsecured dividend;</li> <li>Review of time costs against budget prepared for the Remuneration Report.</li> </ul>	<ul style="list-style-type: none"> <li>To ensure proper and efficient management of the liquidation.</li> </ul>	<ul style="list-style-type: none"> <li>To efficiently plan for the closure of the case.</li> </ul>
<b>Tax and VAT</b>		



- *Preparing corporation tax returns and submission to HMRC.*
- *To ensure all amounts due back to the Company are recovered;*
- *To meet the statutory duties of the Liquidators.*
- *Statutory duties of the Liquidators.*

## Our future work

We still need to do the following work in the liquidation.

Work undertaken	Estimated cost £	Whether or not the work will provide a financial benefit to creditors
<b>Accounting and treasury</b>		
<ul style="list-style-type: none"> <li>• <i>Processing receipts and payments;</i></li> <li>• <i>Ongoing bank reconciliations; and</i></li> <li>• <i>Closure of the bank account and release of the bond.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 3,000</li> </ul>	<ul style="list-style-type: none"> <li>• <i>To ensure funds that are to be distributed to creditors are managed efficiently.</i></li> </ul>
<b>Assets</b>		
<ul style="list-style-type: none"> <li>• <i>Continued liaising with our solicitors regarding the ongoing costs claim seeking recovery through litigation or settlement and if appropriate, attending arbitration; and</i></li> <li>• <i>Liaising with our agents regarding the outstanding book debts.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 8,000</li> </ul>	<ul style="list-style-type: none"> <li>• <i>To maximise the realisations and increase the funds available to creditors.</i></li> </ul>
<b>Creditors</b>		
<ul style="list-style-type: none"> <li>• <i>Issuing notice of intended dividend for the final unsecured dividend;</i></li> <li>• <i>Adjudication of any claims received following the notice of intended dividend;</i></li> <li>• <i>Payment of unrepresented cheques to the Insolvency Service; and</i></li> <li>• <i>Responding to adhoc creditor queries regarding the claim and the liquidation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 6,000</li> </ul>	<ul style="list-style-type: none"> <li>• <i>To distribute funds to creditors.</i></li> </ul>
<b>Creditors Committee</b>		
<ul style="list-style-type: none"> <li>• <i>Updating the committee on progress regarding the costs claim; and</i></li> <li>• <i>Agreement of the final level of Liquidators fees.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 4,000</li> </ul>	<ul style="list-style-type: none"> <li>• <i>To update the committee and ensure creditors are informed of matters.</i></li> </ul>
<b>Statutory and Compliance</b>		
<ul style="list-style-type: none"> <li>• <i>Preparing and submitting the third annual report to the Registrar and to creditors;</i></li> </ul>	<ul style="list-style-type: none"> <li>• 12,000</li> </ul>	<ul style="list-style-type: none"> <li>• <i>No financial benefit for creditors.</i></li> </ul>



- *Preparing and submitting the final annual report to the Registrar and to creditors;*
- *Filing required notices to close the liquidation; and*
- *Arranging for the destruction of books and records in line with internal policy.*

#### Strategy and Planning

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• <i>Holding internal meetings to determine the best strategy for dealing with the outstanding matters; and</i></li> <li>• <i>Progressing the case for closure.</i></li> </ul> | <ul style="list-style-type: none"> <li>• 1,000</li> </ul> | <ul style="list-style-type: none"> <li>• <i>To plan for the efficient management and closure of the case.</i></li> </ul> |
|---|---|--|

#### Tax and VAT

- |   |   |   |
|---|---|---|
| <ul style="list-style-type: none"> <li>• <i>Submitting the final corporation tax return; and</i></li> <li>• <i>Seeking tax clearance before closure.</i></li> </ul> | <ul style="list-style-type: none"> <li>• 6,000</li> </ul> | <ul style="list-style-type: none"> <li>• <i>To ensure all recoverable amounts have been recovered and all tax due has been paid.</i></li> </ul> |
|---|---|---|

## Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called 'Category 2' disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the liquidation and has been approved by the Liquidation Committee where required.

The following disbursements arose in the period of this report.

Category	Policy	Costs incurred (£)
1	Postage	347.70
1	Storage costs	42.44
Total incurred during the period		390.14
Total brought forward at 28 August 2020		1,331.28
Total		1,721.42

## Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the liquidation where the relationship could give rise to a conflict of interest.

## Details of subcontracted work

No work which our staff would normally do has been subcontracted during the periods of the report and we do not anticipate such requirement in the future.

# Legal and other professional firms

We instructed the following professionals on this case:

Service provided	Name of firm/organisation	Reason selected	Basis of fees
<b>Legal advice, including:</b> <ul style="list-style-type: none"> <li>• Advising on the Liquidators ability to request a Statement of Affairs</li> <li>• Disclaiming the remaining leases</li> <li>• Advising on the ongoing litigation with regards to costs recovery</li> <li>• Responding to the defendants solicitors regarding the costs recovery</li> </ul>	<ul style="list-style-type: none"> <li>• Freeths LLP</li> <li>• Myerson Solicitors LLP</li> <li>• Just Costs Solicitors</li> </ul>	<ul style="list-style-type: none"> <li>• Insolvency expertise</li> <li>• Industry knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Time costs basis and disbursements</li> </ul>
<b>Debt recovery and asset agents, including:</b> <ul style="list-style-type: none"> <li>• Liaison with the debtors</li> <li>• Review of the contractual debt and realization potential</li> <li>• Realisation of the book debt ledger</li> <li>• Removing personal data from IT equipment and subsequent sale</li> </ul>	<ul style="list-style-type: none"> <li>• Naismiths Limited</li> <li>• JPS Chartered Surveyors</li> <li>• Pythagoras Capital Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Industry knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Time costs basis and disbursements</li> <li>• Percentage of realisations basis</li> </ul>

# Appendix D: Other information

<b>Company's registered name:</b>	Milbrooke Construction Limited- in liquidation
<b>Registered number:</b>	06326999
<b>Registered address:</b>	8 <sup>th</sup> Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL
<b>Date of the Liquidators' appointment:</b>	29 August 2017
<b>Liquidators' names, addresses and contact details:</b>	Ross David Connock of PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol, BS2 0FR and Zelf Hussain of PricewaterhouseCoopers LLP of 7 More London Riverside, London, SE1 2RT
<b>Company's registered name:</b>	Milbrooke Construction Limited- in liquidation