



TO MEMBERS AND ALL KNOWN CREDITORS

8 February 2016

Our ref: KF/AT/C. & G. Concrete/CVLo33

Dear Sir/Madam

C. & G. Concrete Limited – in creditors’ voluntary liquidation (“the Company”)

Please find enclosed the liquidators’ fourth 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. G. Hale'.

Roger Hale
Joint Liquidator

Enclosure

Roger Gareth Hale and David Matthew Hammond have been appointed 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. 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>



Fourth progress report to members & creditors

8 February 2016

Company C. & G. Concrete Limited – in liquidation

Registered Number 00613713

Registered address Benson House
33 Wellington Street
Leeds
LS1 4JP

Type of Insolvency Creditors' voluntary liquidation

Date of Appointment 13 December 2011

Appointees Roger Hale (from 29 December 2014) and David Matthew Hammond
Edward Williams (to 29 December 2014)

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

Dividend Prospects	Current estimate p in £	Previous estimate p in £
Preferential	100p/£	100p/£
Unsecured	70p/£	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 fourth 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 Asset realisations

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

	13 December 2011 to 12 December 2014 (£)	13 December 2011 to 12 December 2015 (£)	Total 13 December 2011 to 12 December 2015 (£)
Assets specifically pledged			
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>
Assets not specifically pledged			
	(£)	(£)	(£)
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	21,428.10	4,251.69	25,679.79
Refunds	9,154.69	-	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	19.34	1,468.85
Contribution to costs	25,002.11	-	25,002.11
	<u>5,949,038.34</u>	<u>4,271.03</u>	<u>5,953,309.37</u>

2.1 Interest received gross

Interest received on investments and on the interest bearing account for the period of this report total £4,251.69

2.2 Distributions received

Distributions received relate to dividends received from insolvent debtors and total £19.34.

2.3 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 HM Revenue & Customs 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.

The European Commission opened a formal "phase II" investigation on 31 July 2013. The final decision of this investigation was delivered at the end of March 2015.

In October 2015, the BAA announced that it will appeal the recent "phase II" decision by the European Commission. The appeal will be heard in the EU General Court in Luxembourg during the course of 2016.

Following this decision, a final ruling on the argument for the repayment of the Levy would require further litigation in the UK and European courts.

2.4 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.

We are continuing to review the options available to the Company with regard to this claim and will provide an update to creditors when we are able to do so.

3 Outcome for creditors

3.1 Secured creditor

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

3.2 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 and we previously reported that this claim has been paid in full.

3.3 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 5 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 2.

The timing of a further dividend will depend upon the conclusion of outstanding issues detailed in Section 2. 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	138	5,316,131
Claims agreed	132	4,949,807
Claims not yet agreed	3	263,630
Claims rejected	3	102,694
Claims awaited	53	946,641

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

4 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	7,000
Gateley LLP	Legal advice on winding up petition	Time cost	47,551.25
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	-
Capa Property Limited	Recovery of rates refunds	Percentage of realisations	-
			54,551.25

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.

5 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 2015, we have incurred time costs of £432,981.75. This represents 1,703 hours at an average hourly rate of £254.28. Against this, £276,997.27 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 2015 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 2015, by work category, are attached at Appendix B. The key areas of work carried out during this period have been:

Area of work	Work undertaken in the period includes
Strategy and planning	<ul style="list-style-type: none"> • Internal team briefings on case progression and resolution of outstanding issues
Accounting and treasury	<ul style="list-style-type: none"> • Periodic bank reconciliations • Arranging payments of costs of the liquidation • Managing the invested funds
Statutory, reporting and other compliance	<ul style="list-style-type: none"> • Preparing and circulating annual reports to creditors • Regular internal case reviews • Dealing with transition of appointment takers
Other assets	<ul style="list-style-type: none"> • Investigating possibility of realisations from group companies • Progressing complex matters relating to the aggregates levy claim • Review of ongoing litigation • Dealing with the Gazette claim
Tax/VAT	<ul style="list-style-type: none"> • Preparing and submitting corporation tax returns • Arranging ongoing reclaims of input VAT
Creditor enquiries & claims agreement	<ul style="list-style-type: none"> • Undertaking the claims agreement process • Liaising with solicitors regarding claims • Dealing with complications which have arose due to dormant group companies • Dealing with creditor enquiries

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 2015. Full details of the charge out rates charged to this case from 13 December 2014 to 12 December 2015 are included below.

Grade	Insolvency	Insolvency	Specialist
	(£/hr)	(£/hr)	(max) (£/hr)
	<i>From 1 July 2015</i>	<i>To 1 July 2015</i>	
Partner	590	575	1,190
Director	490	480	1,095
Senior Manager	425	415	920
Manager	340	330	665
Senior Associate	255	250	490
Associate	165	160	240
Support Staff	87	85	140

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.

6 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 2015 we have incurred costs of £47.61 and £503.13 in respect of photocopying and mileage respectively. We have also incurred other disbursements of £532.92, primarily relating to postage costs for circulating creditor reports.

7 Statement of expenses

A statement of expenses is included at Appendix C.

8 Additional information

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 4.49E of the Insolvency Rules 1986. Any request must be in writing. Creditors can also challenge the liquidators' fees and expenses within eight weeks of receiving this report as set out in Rule 4.131. This information can also be found in the guide to fees 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.

C. & G. Concrete Limited – in liquidation

Summary of financial information as at 12 December 2015

C. & G. Concrete Limited - in liquidation

Summary of financial information as at 12 December 2015

APPENDIX A

	13 December 2011 to 12 December 2014 (£)	13 December 2014 to 12 December 2015 (£)	Total 13 December 2011 to 12 December 2015 (£)	Estimated Future Costs (£)	Estimated Final Outcome (£)
FIXED CHARGE					
Receipts					
Sale of business	30,276.90	-	30,276.90	-	30,276.90
Interest received gross	945.57	-	945.57	-	945.57
Total	31,222.47	-	31,222.47	-	31,222.47
Payments					
Agents' fees	900.00	-	900.00	-	900.00
Bank charges	1.00	-	1.00	-	1.00
Total	901.00	-	901.00	-	901.00
Distribution to chargeholder	5,762.28	-	5,762.28	-	5,762.28
Fixed charge balance	24,559.19	-	24,559.19	-	24,559.19
FLOATING CHARGE					
Receipts					
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	21,428.10	4,251.69	25,679.79	-	25,679.79
Refunds	9,154.69	-	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	19.34	1,468.85	-	1,468.85
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
Total	5,949,038.34	4,271.03	5,953,309.37	-	5,953,309.37
Payments					
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	128,999.27	276,997.27	223,002.73	500,000.00
Office holder's expenses	881.51	-	881.51	2,500.00	3,381.51
Legal fees***	178,200.84	54,423.83	232,624.67	50,000.00	282,624.67
Legal disbursements	41.40	145.42	186.82	-	186.82
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	535.03	-	535.03	-	535.03
Statutory advertising	272.92	-	272.92	200.00	472.92
Regulatory fees	169.34	1.00	170.34	-	170.34
Sundry expenses	-	14,477.68	14,477.68	-	14,477.68
Purchases*	83.74	-	83.74	-	83.74
Bank charges	220.28	43.86	264.14	100.00	364.14
Storage costs	56.01	-	56.01	450.00	506.01
Repairs & maintenance	9,727.79	9,032.92	18,760.71	9,000.00	27,760.71
Corporation tax	-	395.96	395.96	-	395.96
Miscellaneous closure expenses***	-	-	-	30,000.00	30,000.00
Distribution to preferential creditors at 100p in the £	171.40	-	171.40	-	171.40
Distribution to unsecured creditors (65p in the £)	3,217,338.03	-	3,217,338.03	-	3,217,338.03
Distribution to unsecured creditors (estimated 5p in the £)	-	-	-	1,119,981.27	1,119,981.27
Total	4,335,114.62	207,519.94	4,542,634.56	1,435,234.00	5,977,868.56
Floating charge balance	1,613,923.72	(203,248.91)	1,410,674.81	(1,435,234.00)	(24,559.19)
VAT receivable	(466.87)	(1,033.92)	(1,500.79)	1,500.79	-
Grand Total**	1,638,016.04	(204,282.83)	1,433,733.21	(1,433,733.21)	-

*Expense from trading period

** £1.35m held on investment account, balance held in an interest bearing account

*** Our expected total costs are difficult to estimate, given the uncertainties around the progression of legal claims and potential claims, the level of involvement we may need, that they may reach and the time periods over which such claims may be concluded. We consider that our total costs would not be less than £500K, and at this stage cannot estimate the maximum.

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

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

C. & G. Concrete Limited – in liquidation

Appendix B

Analysis of time costs for the period 13 December 2014 to 12 December 2015

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	2.25	1.95	0.90	13.35	18.45	3,580.65	194.07
Accounting and treasury	-	1.85	9.85	26.96	38.66	6,831.65	176.71
Statutory, reporting and other compliance	12.75	19.55	27.60	14.80	74.70	23,338.50	312.43
Other assets	13.50	61.60	0.80	2.15	78.05	32,983.50	422.59
Employees / pensions	-	0.30	-	-	0.30	124.50	415.00
Tax/VAT	0.50	1.90	13.25	2.75	18.40	5,547.50	301.49
Creditor enquiries & claims agreement	-	25.95	3.35	2.65	31.95	11,919.00	373.05
Total for 13 December 2014 to 12 December 2015	29.00	113.10	55.75	62.66	260.51	84,325.30	323.69
Brought forward from 13 December 2011 to 12 December 2014	103.45	366.15	347.55	625.80	1,442.25	348,656.45	304.14
Total to 12 December 2015	132.45	479.25	403.30	688.46	1,702.76	432,981.75	254.28

Disbursements for services provided by the Liquidators' own firm (Category 2 disbursements)		From 13 December 2014 to 12 December 2015
		(£)
Photocopying	At 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying	47.61
Mileage	At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	503.13
	All other disbursements are charged at cost	532.92
Total for 13 December 2014 to 12 December 2015		1,083.66
Brought forward from 13 December 2011 to 12 December 2014		1,896.25
Total to 12 December 2015		2,979.91

C. & G. Concrete Limited – in liquidation

Appendix C

Statement of expenses

	Total expenses brought forward from 12 December 2014	Adjustments to expenses brought forward to 12 December 2014	Revised expenses brought forward to 12 December 2014	Expenses incurred in this period (£)	Total expenses paid to 13 December 2015	Expenses outstanding at 13 December 2015	Total expenses to 13 December 2015 carried forward
	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Agents' fees	900.00	-	900.00	-	900.00	-	900.00
Bank charges	1.00	-	1.00	-	1.00	-	1.00
Prior appointee fees and expenses	728,392.54	-	728,392.54	-	728,392.54	-	728,392.54
Office holder's fees	348,713.05	(56.60)	348,656.45	84,325.30	276,997.27	155,984.48	432,981.75
Office holder's expenses	1,896.25	-	1,896.25	1,083.66	881.51	2,098.40	2,979.91
Legal fees	181,247.84	-	181,247.84	23,527.00	178,200.84	26,574.00	204,774.84
Legal disbursements	224.82	(38.00)	186.82	15.20	186.82	15.20	202.02
Rent	20,323.52	-	20,323.52	-	20,323.52	-	20,323.52
Third party funds	11,486.70	-	11,486.70	-	11,486.70	-	11,486.70
Sundry receipts	5,200.00	-	5,200.00	-	5,200.00	-	5,200.00
Rates	2,491.68	-	2,491.68	-	2,491.68	-	2,491.68
Membership fees	2,167.50	-	2,167.50	-	2,167.50	-	2,167.50
PAYE & NIC	746.00	-	746.00	-	746.00	-	746.00
Licenses & trademarks	720.00	-	720.00	-	720.00	-	720.00
Utilities	7,890.39	-	7,890.39	-	7,890.39	-	7,890.39
Agents' fees	535.03	-	535.03	-	535.03	-	535.03
Statutory advertising	272.92	-	272.92	-	272.92	-	272.92
Regulatory fees	170.34	-	170.34	-	170.34	-	170.34
Purchases	83.74	-	83.74	-	83.74	-	83.74
Bank charges	248.60	-	248.60	15.54	264.14	-	264.14
Storage costs	56.01	-	56.01	-	56.01	-	56.01
Repairs & maintenance	18,760.71	-	18,760.71	-	18,760.71	-	18,760.71
	1,332,528.64	(94.60)	1,332,434.04	108,966.70	1,256,728.66	184,672.08	1,441,400.74