## FINANCIAL INFORMATION TO CREDITORS AND MEMBERS OF PHEDAL ESTATES LTD

## PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 6

21 May 2025

I confirm that the contents of this report have been prepared from information provided by me and that they are true to the best of my knowledge and belief.

Signed: DocuSigned by: Emmanuel Ezeh 3C343721605A427...

**Emmanuel Ezeh**

Director (Convener)

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## DEFINITIONS

The following definitions apply to this report:

**Insolvent Estate** and or **Company** refer to the same legal entity that is the subject of this report

**Liquidator** and or **Office-Holder** refers to the same Licensed Insolvency Practitioner appointed at a Decision Procedure and or Deemed Consent Procedure of the creditors over the legal entity that is the subject of this report

**Act** refers to the Insolvency Act 1986

**Rules** refers to the Insolvency (England and Wales) Rules 2016

**Oliver Elliot** refers to Oliver Elliot Chartered Accountants and or Oliver Elliot Limited

**Convener** refers to the Director of the legal entity being the subject of this report, who has signed this report and who has convened a Decision Procedure and or Deemed Consent Procedure of the creditors over the legal entity that is the subject of this report

## INTRODUCTION

The Company is insolvent and as a result it approached Oliver Elliot on or about 13 November 2023 to assist the Company with the procedures associated with Creditors Voluntary Liquidation. Those instructions were issued by the Company's Director Emmanuel Ezeh.

It has been agreed by the Company that for the preparation and assistance in connection with the preparation of the Statement of Affairs and Decision Procedure to enable the Company to go into Creditors Voluntary Liquidation that the fee of Oliver Elliot is £2,500 plus VAT and disbursements.

Where the Company has paid any reasonable and necessary expenses in preparing the statement of affairs and of the decision procedure from creditors on the nomination of the Liquidator before the commencement of the winding up it is to be disclosed pursuant to Rule 6.7(3) of the Insolvency (England and Wales) Rules 2016 ("the Necessary Expenses"). The disbursements related to necessary expenses. In this case the sum paid over to Oliver Elliot by the Director, Emmanuel Ezeh, is £3,551.54 for the Necessary Expenses.

The Company and its Director has been made aware that part of the process involves a Decision Procedure in which information has to be supplied to creditors. Additional requirements in respect of that procedure is set out in Statement of Insolvency Practice Number 6 which can be viewed at the following link https://www.icaew.com/-/media/corporate/files/technical/insolvency/regulations-and-standards/sips/england/sip-6-e--w-010118-icaew.ashx .

Oliver Elliot has informed the Convener that it may be appropriate to obtain independent assistance in determining the authenticity of a prospective participant's authority or entitlement to participate and the amount for which they are permitted to do so, in the event that these are called into question.

Whilst reasonable efforts have been undertaken to ensure the accuracy of the information provided inadvertent human error may result in typographical and other error prevailing. On behalf of the Company we apologise in advance were the same to arise. In the event that any such errors are suspected then the recipients of this report are invited to contact Oliver Elliot to afford notice of the same for further consideration.

## COMPANY INFORMATION

- Insolvent Estate Registered Name: Phedal Estates Ltd
- Insolvent Estate Registered Number: 12448938
- Registered Office: 49 The Shades, Rochester, ME2 2UB
- Trading Address: 49 The Shades, Rochester, Strood, ME2 2UB
- Trading Name: Phedal Estates Ltd
- Nature of Business: Buying and Selling of Real Estate
- Former Registered Office: 71-75 Shelton Street, London, WC2H 9JQ
- Date of Incorporation: 07 February 2020
- Date Trading Commenced: 07 February 2020
- Date Trading Ceased: 08 January 2023
- Charges Registered: None

## Directors (held office within previous three years including resigned Directors)

| Name | Appointed | Resigned |
|---|---|---|
| Emmanuel Ezeh | 07 February 2020 | |

## Share Capital

- Share Capital: 2 Ordinary Shares of £1 each

| Shareholders | Shareholding |
|---|---|
| Emmanuel Ezeh | 2 Ordinary Shares |

## Parent, Subsidiary or Associated Companies

- EUZ Consultancy Limited

# SUMMARY OF FINANCIAL INFORMATION

Extracts from the Insolvent Estate's financial statements and or management accounts and or accounting records disclose the following information:

| | 2023 (Amended) | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| | £ | | £ | |
| **Turnover** | 1,055 | | 2,263 | |
| Cost of sales | (2,374) | | (1,108) | |
| **Gross Profit/(Loss)** | (1,319) | | 1,155 | |
| Administrative expenses | (5,244) | | (1,393) | |
| **Operating loss** | (6,563) | | (238) | |
| **Loss on ordinary activities before taxation** | (6,563) | | (238) | |
| Tax on loss on ordinary activities | - | | - | |
| **Loss for the financial year** | (6,563) | | (238) | |
| | | | | |
| **Fixed Assets**: Tangible Assets | - | | - | |
| **Current assets**: | | 25 | - | |
| Debtors | 45,649 | | | |
| Cash at bank and in hand | 11 | | 64 | 2 |
| | **45,660** | | **64** | |
| Creditors: amounts falling due within one year | (552) | (552) | (300) | |
| **Net current assets/(liabilities)** | 45,108 | (527) | (236) | 2 |
| **Total assets less current liabilities** | 45,108 | (527) | (236) | |
| Total net assets/(liabilities) | | (527) | | |
| Creditors: amounts falling due after more than one year | (51,907) | | - | |
| | | | | |
| **Capital and Reserves** | | (527) | | |
| Called Up Share Capital | 2 | | 2 | 2 |
| Profit and Loss Account | (6,801) | | (238) | |
| **Shareholders' Funds** | (6,799) | | (236) | 2 |

The Director has advised that the bank (Barclays) has closed the business account and that he does not have access to the account anymore. It is the Director's position that the sum owed to Barclays is £40,655.31. On 28 March 2024 Barclays provided a statement of the account showing the sum outstanding at £50,000. Given the date on this statement was for the period 25 July 2020 to 23 October 2020 it may well have been the bank providing details of original lending.

The last filed accounts dated 28 February 2023 (the amended version) showed current assets totalling £45,660, being £45,649 debtors and £11 cash in bank. The directors informs us that the debtors were classified as a bad debt as they represent funds invested in a trade that unfortunately resulted in a loss.

The amended accounts for the year ended 28 February 2023 at note 4 refers to the sum £45,649 as a bad debt in respect of Trade debtors. These accounts also showed bank loans as a creditor in the sum £51,907. However, the previous year's accounts for 28 February 2022 do not appear to show such lending with a £0 balance shown. Given the sum owing to Barclays is a Bounce Back Loan which would have related to monies lent some years ago creditors may wish to treat the accounts for 2022 and 2021 above with some caution. This is a matter which the duly appointed Liquidator will need to investigate and consider further.

The Director is aware that the Liquidator has a duty to investigate what assets there are (including potential claims against third parties including the Directors) and what recoveries can be made in light of Statement Of Insolvency Practice Number 2 ("SIP 2") and his or her wider statutory duties.

The Director is aware that the Liquidator has to submit information to the Insolvency Service on the conduct of the Directors and report possible offences disclosed during the court of their investigations to the relevant authorities.

## DIRECTORS' REASONS FOR FAILURE AND RECENT TRADING ACTIVITY

The following in this section of the report is the director's account for the reasons for the failure of the Company in their own words:

*"Phedal Estate, a pioneering company, was established with the sole aim of sourcing and providing below market value properties for buying and selling within the United Kingdom. Founded with a visionary outlook, Phedal Estate set out to redefine the real estate landscape by offering unparalleled opportunities to investors, thereby connecting them with lucrative deals across the dynamic UK market.*

*From its inception, Phedal Estate embarked on a mission to revolutionize the real estate industry. The journey began with a strategic focus on building a strong and extensive network of clients across the Southeast region. This was achieved through the organization of engaging real estate seminars meticulously crafted to attract potential investors keen on exploring property investment opportunities.*

*Driven by a relentless pursuit of excellence, Phedal Estate honed its expertise in sourcing below market value (BMV) properties nationwide. Leveraging industry insights and an intricate understanding of market dynamics, Phedal Estate diligently scoured the market to identify and curate a diverse portfolio of BMV properties. These properties were not just assets; they represented potential opportunities for investors to capitalize on.*

*A cornerstone of Phedal Estate's approach was facilitating seamless connections between these BMV properties and discerning clients. Through personalized consultations and tailored recommendations, Phedal Estate ensured that each transaction was mutually beneficial for all parties involved. This* *commitment to fostering mutually advantageous relationships underscored Phedal Estate's ethos of integrity, transparency, and excellence.*

*However, despite Phedal Estate's unwavering dedication and strategic foresight, the journey was not without its challenges. Like any ambitious venture, setbacks were encountered along the way. One such setback came in the form of a significant financial loss incurred by extending a loan to a relative who, unfortunately, failed to fulfill their repayment commitment. This unforeseen circumstance left Phedal Estate in a precarious position during its formative stages, hampering its ability to achieve its goals and objectives.*

*Regrettably, as a result of this unforeseen financial setback, Phedal Estate has been compelled to make the difficult decision to cease operations. The lack of resources to further pursue its ambitious vision has left Phedal Estate with no choice but to discontinue its operations. It is with a heavy heart that this decision is made, as Phedal Estate bids farewell to a journey filled with passion, dedication, and unwavering commitment to excellence.*

*Though the journey may have come to an end, the legacy of Phedal Estate will endure, leaving an indelible mark on the real estate industry. While the path may have been fraught with challenges, the spirit of innovation and determination that defined Phedal Estate's journey will continue to inspire and resonate within the hearts of those who dared to dream big and pursue their aspirations relentlessly."*

In light of the Company's financial circumstances the Director sought advice from Oliver Elliot accordingly.

# STATEMENT OF AFFAIRS

A copy of the directors' verified Statement of Affairs of the Company will be sent out to creditors. The estimated Statement of Affairs and its contents are entirely the responsibility of the Director.

The Statement of Affairs as presented is subject to the costs and expenses of the liquidation and where applicable, trade creditors are shown inclusive of VAT. The information below is supplied in conjunction with that document.

## Prescribed Part Allocation

Within the Act there are provisions for a fund, called the Prescribed Part, to be set aside for distribution to the unsecured creditors. The fund is calculated on the net realisations of property subject to a floating charge contained in a debenture created on or after 15 September 2003.

The Company did not grant any floating charges to a secured creditor. Accordingly, the Prescribed Part provisions do not apply.

## Trade and Expense Creditors

The amount shown in respect of trade and expense creditors has been provided by an officer of the Company. Neither the existence of each creditor nor their respective amounts has been validated and therefore this will not prejudice the rights of any creditor to prove in the Insolvent Estate for a different amount.

## Director

The Director is owed £3,551.54 in respect of liquidation costs.

### Bank

Barclays Bank is owed £40,665.31 in respect of a bounce back loan and £96.37 in respect of an overdraft.

## DEFICIENCY ACCOUNT

| | £ | £ |
|---|---|---|
| Shareholder Funds at 28 February 2023 | | (6,799) |
| Balance (estimated trading profit / (losses) for the period) | | (37,921.22) |
| Less Share Capital | | (2) |
| Deficiency as per Statement of Affairs as regards members | | (44,722.22) |