



# Practice blames PII costs after going under owing £740k

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The Stockport Pyramid at Junction One of the M60 designed by Christopher Denny from Michael Hyde and Associates (completed 1992)  
Source: Shutterstock/iron bell

## A 50-year-old practice has gone into voluntary liquidation, blaming rocketing cost of Professional Indemnity Insurance

MHA Architects, the trading name for Michael Hyde & Associates, which has offices in Sheffield and Manchester, appointed liquidators Cowgills this month.

Founded in 1974, the practice is best known for the Stockport Pyramid, which was completed in 1992 to the designs of the firm's Christopher Denny, and for its mid-90s revamp and extension of Owen Williams' Futurist Art Deco Daily Express Building in Manchester.

Explaining the circumstances which led to the company's closure, director Jimmy Lennon told the AJ: 'The principal cause [of the liquidation] was the cost of maintaining Professional Indemnity Insurance (PII) cover since 2020, given the market in the wake of the Grenfell Tower tragedy.

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'This eroded cash reserves, leaving the company vulnerable to cashflow issues in a competitive market struggling to navigate uncertain project timelines.'

The recently posted statement of affairs shows the company owes PII providers PIB Insurance Brokers £106,000, as well as nearly £60,000 to HM Customs and Revenue, £244,000 to other trade creditors and almost £262,000 to staff, covering payments in lieu of notice and redundancy monies.

The £744,000 deficit also included £97,500 due to directors for long-term loans to the company.

According to the company's last accounts for the year ending 31 March 2024, the practice had 15 employees. But the AJ understands there were only nine staff remaining when MHA ceased trading, with numbers already reduced as part of an earlier cost-cutting exercise in late 2024.

Back in 2016 MHA Architects had a workforce of 27 and an annual turnover of nearly £2.4 million.

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The company's website, which has now taken been taken down, said the practice had provided 'design services to both private and public sector clients, working on projects ranging in value from £50,000 to £200 million'.

The outfit had previously worked in housing, education, healthcare, scientific research, leisure and commercial

development.

In 2019 the company reshuffled its management team following the retirement of long-term directors Harold Morris and Ian Thorp.

The practice was then run by a new board made up of Lennon, Paul Chadwick, Andrew Callicott and Chris Yorke.



The Daily Express Building in Manchester which was given an overval by MHA Architects in the mid 90s

The news of MHA Architects' demise comes as the RIBA's Future Trends survey for February revealed that architects expect their workloads to increase over the next three months, signalling a return to optimism after three months of pessimism.

The most positive outlooks, according to the survey, are in the housing and commercial sectors, with confidence in residential schemes the highest since mid-2022.

The institute's monthly bellwether of the profession's ongoing workloads showed that London stood out as the most positive region.

However, Adrian Malleson, the RIBA's head of economic research and analysis, said: '[Despite] this increased optimism, significant risks to future growth remain.

'These include heightened geopolitical uncertainty and growing threats to global supply chains due to protectionist trade policies. Commentary received from practices in February gives a mixed picture.

## Practices report difficulty gaining sufficient work of sufficient value

'Many describe a challenging market, hindered by client hesitancy, raised interest rates, planning delays, strong fee competition, an increased regulatory burden and upcoming increases in Stamp Duty and employers' NICs.'

He added: 'In such a market, some practices report difficulty gaining sufficient work of sufficient value to maintain current staffing levels and ensure practice viability. Other practices, however, give a more optimistic assessment, with reports of more enquiries, full order books for the year, new growth sectors and an overall strong start to the year.'

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One comment



David Berridge

21 March 2025 at 5:29 pm Edit

This looks like continuing to trade whilst knowing you are broke, which I think is illegal. All that unpaid tax and staff pensions will be picked up by us - the taxpayer. SHAME! ARB should investigate, but it won't

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