

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

Brookmann Home Manchester 1877 Limited

Company number

00011136

In the  
High Court Manchester District Registry

[full name of court]

Court case number  
4221 of 2013(a) Insert full name(s)  
and address(es) of  
administrator(s)~~I/We~~ (a)Paul Andrew Flint  
KPMG LLP  
1 St Peter's Square  
Manchester  
M2 3AEBrian Green  
KPMG LLP  
1 St Peter's Square  
Manchester  
M2 3AE

Joint Administrators of the above company attach a progress report for the period

(b) Insert dates from

to

(b) 2 May 2015

(b) 22 May 2015

Signed



Joint Administrator

Dated

1 June 2015

**Contact Details:**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Rebekah Ingham  
KPMG LLP  
1 St Peter's Square  
Manchester  
M2 3AE  
United Kingdom  
DX 724620 Manchester 42

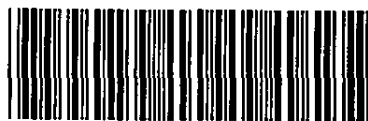
Tel 0161 2464423

When you have completed and signed this form, please send it to the Registrar of Companies at -

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

WEDNESDAY



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03/06/2015

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COMPANIES HOUSE



**Brookmann Home  
Manchester 1877 Limited  
(in Administration)**

**Report to Creditors pursuant  
to Rule 2.47 and 2.110 of the  
Insolvency Rules 1986 (as  
amended)**

**Final progress report**

KPMG LLP

22 May 2015

*This report contains 14 Pages*

PF/JN/RI



*Brookmann Home Manchester 1877 Limited (in Administration)*  
*Report to Creditors pursuant to Rule 2.47 and 2.110 of the Insolvency Rules 1986 (as amended)*  
KPMG LLP  
22 May 2015



**Brookmann Home Manchester 1877 Limited (in Administration)**  
*Report to Creditors pursuant to Rule 2.47 and 2.110 of the Insolvency Rules 1986 (as amended)*  
**KPMG LLP**  
22 May 2015

## **Notice: About this Report**

This Report has been prepared by Paul Flint and Brian Green, the Joint Administrators of Brookmann Home Manchester 1877 Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the Administration, 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 is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Brookmann Home Manchester 1877 Limited. Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Paul Flint and Brian Green are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of England and Wales. The Joint Administrators act as agents for Brookmann Home Manchester 1877 Limited and contract without personal liability.

The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the Administration.



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## 1 Glossary

Act	The Insolvency Act 1986
Administration	The Administration Order granted by the High Court of Justice, Chancery Division, Manchester District Registry in respect of Brookmann Home Manchester 1877 Limited on 25 November 2013 Court case number 4221 of 2013
Company	Brookmann Home Manchester 1877 Limited (in Administration)
Joint Administrators	Paul Andrew Flint and Brian Green of KPMG LLP
KPMG	KPMG LLP
Legal Advisers/Solicitors	Turner Parkinson LLP
Period	The period from 2 May 2015 to 22 May 2015
Rules	The Insolvency Rules 1986
SIP	Statement of Insolvency Practice
Secured Lender	Aldermore Invoice Finance, a division of Aldermore Bank Plc



## 2 Executive summary

- This progress report covers the period from 2 May 2015 to 22 May 2015 (“the Period”) and will be the Joint Administrators’ final progress report
- All assets have now been realised and all costs associated with realising those assets have now been settled
- As at the date of the Joint Administrators’ appointment, £1 9 million was owed to the Secured lender A total of £403,000 has been distributed in the Administration
- There were insufficient funds available in the Administration to make a distribution to the preferential creditors or unsecured creditors
- There are no matters remaining to be dealt with by the Joint Administrators, accordingly the Administration has been completed The Joint Administrators will file this final progress report with the Registrar of Companies and will also file Form 2 35B to formally end the Administration and dissolve the Company

Yours faithfully

Paul Flint  
*Joint Administrator*



### **3 Statement of Proposals**

In accordance with Paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986 (as amended) ("the Act"), as it was unlikely that there would be a distribution of funds to unsecured creditors a meeting of creditors was not held and one was not requested by creditors

Accordingly, the Joint Administrators' Statement of Proposals, as circulated to all known creditors on 17 January 2014, was deemed to have been approved on 29 January 2014 pursuant to Rule 2 33(5) of the Insolvency Rules 1986 (as amended) ("the Rules") with the exception of any proposals in relation to the Joint Administrators' fees, disbursements or discharge from liability as administrators

There have been no deviations from or additions to the Joint Administrators Statement of Proposals, as was deemed to have been approved and as shown in Appendix 5

### **4 Progress of the Administration**

#### **4 1 Asset realisations**

All asset realisations were completed in prior reporting periods The Joint Administrators are not aware of any further assets owned by the Company

#### **4 2 Outcome for creditors**

##### **4 2 1 Secured creditors**

As at the date of the Joint Administrators' appointment, £1,911,000 was owed to the Secured lender

The Joint Administrators have made no distributions to the Secured lender in the Period, total distributions made to the Secured lender in the Administration amount to £403,000 Therefore the Secured Lender has suffered a significant shortfall

##### **4 2 2 Preferential creditors**

There were insufficient funds to enable a distribution to be made to the preferential creditors

##### **4 2 3 Unsecured creditors**

There were insufficient funds to enable a distribution to be made to the unsecured creditors

##### **4 2.3 1 Prescribed part**

In accordance with section 176A of the Act, where a floating charge was created post 15 September 2003 and, therefore post Enterprise Act 2002, a prescribed part should be made available to unsecured creditors should floating charge realisations be sufficient

The basis of the prescribed part calculation is a percentage of net floating charge realisations (after payment of preferential creditors) to be distributed exclusively to



unsecured creditors. This process ensures that the unsecured creditors participate in a dividend, which would not have been the case under the old insolvency rules.

As floating charge asset realisations have been insufficient, no prescribed part provision was made available to unsecured creditors.

#### **4.3 Expenses for the Period**

##### **4.3.1 Receipts and payments**

The receipts and payments for the Period are set out in Appendix 2.

##### **4.3.2 Joint Administrators' remuneration**

The Joint Administrators' time costs in the Period are £5,637, which equates to 23 hours at an average hourly rate of £242 per hour. The Joint Administrators' incurred no disbursements during the Period.

A detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out in the Period, in accordance with the provisions of SIP 9, is shown in Appendix 3.

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates.

The statutory provisions relating to remuneration are set out in Rule 2 106 of the Rules.

A creditors' guide to Administrators' fees can be found at

[http://www.r3.org.uk/media/documents/technical\\_library/SIPS/SIP%209%20E&W.pdf](http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20E&W.pdf)

However, if you are unable to access this guide and would like a copy, please contact Rebekah Ingham at KPMG LLP, One St Peter's Square, Manchester, M2 3AE.

The Joint Administrators obtained approval from the secured creditor on 28 July 2014 to enable them to draw fees and disbursements from the assets of the Company, based on their time costs properly incurred.

The Joint Administrators have drawn fees totalling £74,557, the full balance of which has been paid in the Period.

Creditors are reminded that the quantum of the Joint Administrators' remuneration can be challenged by unsecured creditors representing at least 10% by value of total unsecured claims, including that creditors' claim, by making an application to court in accordance with Rule 2 109 of the Rules. The full text of this rule can also be provided on request.



#### **4.4 Other information**

In accordance with Rule 2 48A of the Rules, additional information about the expenses charged for the Period is available from the Joint Administrators upon request by any secured creditor, and any other creditor or creditors owed 5% or more in value of the unsecured liabilities. A request must be made within 21 days of receipt of this report.

### **5 End of the Administration**

There are no outstanding matters and the Joint Administrators' proposals consider that their proposals have been fully completed. As was originally set out in their proposals, the Joint Administrators have obtained the consent of the secured creditor to their release from office and are now exiting the Administration via dissolution of the Company. This is pursuant to the provisions of paragraph 84 of Schedule B1 to the Act.

The Joint Administrators will file this final progress report with the Registrar of Companies and will also file Form 2 35B to formally end the Administration and dissolve the Company.

### **6 Comments on the Appendices**

#### **6.1 Appendix 1: Statutory information**

Information to creditors required by statute is shown in Appendix 1.

#### **6 2 Appendix 2: Receipts and payments account for the Period**

An analysis of receipts and payments for the Period is shown in Appendix 2.

This takes account of receipts and payments on a cash basis and does not show any deferred income or accrued costs.

##### **6 2 1 Receipts**

There were no receipts in the Period.

##### **6 2 2 Payments**

###### **6 2 2 1 Administrators' fees**

A total of £74,557 has been drawn in the Period as fees by the Joint Administrators.

###### **6 2.2 2 Legal fees and disbursements**

A total of £2,510 has been paid to Turner Parkinson LLP for work carried out in relation to establish the ownership of the land asset referenced in the prior reporting period.



### 6.3 **Appendix 3: Analysis of Joint Administrator's time costs**

An analysis of the Joint Administrators' time costs for the Period is shown in Appendix 3, which total £5,637

During the Period the Joint Administrators have carried out the following activities

- a total of £2,930 in time costs has been incurred in the Period in dealing with statutory and compliance matters This has largely comprised preparing the Administration for closure,
- a total of £1,995 in time costs has been incurred in dealing with matters surrounding creditors and claims, in particular the preparation of reports to creditors

### 6.4 **Appendix 4: Expenses for the Period**

Expenses incurred in the Period by the Joint Administrators are summarised in Appendix 4

A total of £5,637 of expenses have been incurred in the Period but not paid, which relates to the Joint Administrators' unpaid time costs



## **Appendix 1**

### **Statutory Information**

Company name	Brookmann Home Manchester 1877 Limited
Court details	The Administration Order granted by the High Court of Justice, Chancery Division, Manchester District Registry Court case number 4221 of 2013
Date of appointment	25 November 2013
Extended closure date	22 May 2015
Functions	The functions of the Administrators are being exercised by each or all of them in accordance with Paragraph 100(2) of Schedule B1 of the Act
Date of incorporation	19 January 1877
Registered number	00011136
Present registered office	c/o KPMG LLP One St Peter's Square Manchester M2 3AE
Previous registered office	C/o UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
Issued share capital	Ordinary shares 33,765,961 £1 shares
Shareholders	Brookmann Home Ltd (in Liquidation) – 100%
Directors	Myron Tennyson Mann Charles Senter Brook Johnson
Company secretary	Not applicable
Employees	8



*Brookmann Home Manchester 1877 Limited (in Administration)*  
*Report to Creditors pursuant to Rule 2 47 and 2 110 of the Insolvency Rules 1986 (as amended)*  
**KPMG LLP**  
**22 May 2015**

## Appendix 2

### Joint Administrators' receipts and payments account for the period 2 May 2015 to 22 May 2015

<b>Brookmann Home Manchester 1877 Limited</b> <b>(In Administration)</b> <b>Administrators' Abstract of Receipts &amp; Payments</b>			
Statement of Affairs	From 02/05/2015 To 22/05/2015	From 25/11/2013 To 22/05/2015	
	<b>FIXED CHARGE ASSETS</b>		
57,248 00	Book debts	NIL	NIL
535,000 00	Intellectual Property	NIL	455,745 00
30,000 00	Goodwill	NIL	25,532 00
	Bank interest, gross	NIL	354 80
		NIL	481,631 80
	<b>FIXED CHARGE COSTS</b>		
	Administrators' fees	63,386 80	63,386 80
	Legal fees	2,500 00	15,155 00
	Legal fees (2)	10 00	10 00
	Bank charges	NIL	80 00
		(65,896 80)	(78,631 80)
	<b>FIXED CHARGE CREDITORS</b>		
(1,910,603 00)	Aldermore Invoice Finance	NIL	403,000 00
		NIL	(403,000 00)
	<b>ASSET REALISATIONS</b>		
1 00	IT Equipment	NIL	1 00
11,996 00	Furniture & equipment	NIL	10,209 00
10,000 00	Stock	NIL	8,510 00
1 00	Business Information	NIL	1 00
1 00	Records	NIL	1 00
	Petty Cash	NIL	18 12
1 00	Contracts	NIL	1 00
	Cash at bank	NIL	20 86
		NIL	18,761 98
	<b>OTHER REALISATIONS</b>		
	Bank interest, gross	NIL	27 43
	Rates refund	NIL	1,542 20
		NIL	1,569 63
	<b>COST OF REALISATIONS</b>		
	Administrators' fees	11,170 67	11,170 67
	Agents'/Valuers' fees	NIL	4,892 42
	Legal fees	NIL	3,581 00
	Storage costs	NIL	302 52
	Re-direction of mail	NIL	120 00
	Insurance of assets	NIL	265 00
		(11,170 67)	(20,331 61)
(1,266,355 00)		(77,067 47)	0 00
	<b>REPRESENTED BY</b>		
			NIL



## Appendix 3

### Analysis of Joint Administrators' time costs and expenses for the period 2 May 2015 to 22 May 2015

	Hours				Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support		
<b>Administration &amp; planning</b>						
Cashiering						
General (Cashiering)			1 80		369 00	205 00
Reconciliations (& IPS accounting reviews)			0 70		196 00	280 00
General						
Fees and WIP			0 30	0 50	146 50	183 13
Statutory and compliance						
Closure and related formalities			10 00		2,650 00	265 00
Strategy documents			1 00		280 00	280 00
<b>Creditors</b>						
Creditors and claims						
Statutory reports			9 00		1,995 00	221 67
<b>Total in period</b>	<b>0.00</b>	<b>0 00</b>	<b>22.80</b>	<b>0.50</b>	<b>5,636.50</b>	<b>241.91</b>

Brought forward time (appointment date to SIP 9 period start date)	481 20	146,350 50
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	23 30	5,636 50
Carry forward time (appointment date to SIP 9 period end date)	504 50	151,987 00

**Note - Time is charged to the case in minimum 6 minute units**



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*KPMG LLP*  
*22 May 2015*

**Joint Administrators' chargeable hourly rates**

**Chargeable rates from 1 October 2014**

<b>Grade</b>	<b>Rate per hour £</b>
Partner	795
Associate Partner	705
Director	705
Senior Manager	615
Manager	490
Assistant Manager	355
Assistant	270
Support	135



**Brookmann Home Manchester 1877 Limited (in Administration)**  
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**Joint Administrators' disbursements for the period 2 May 2015 to 22 May 2015**

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
<b>Total</b>	<b>NIL</b>		<b>NIL</b>		<b>NIL</b>



## Appendix 4

### Schedule of expenses for the period 2 May 2015 to 22 May 2015

Section	Account	Accrued in Period ( £ )	Paid in Period ( £ )	Total to date ( £ )
Cost of realisations	Administrators' time costs	5,637	-	5,637
<b>TOTAL</b>		<b>5,637</b>	<b>-</b>	<b>5,637</b>

Note The table above shows expenses that have been paid or incurred in the Period which have not been paid and/or accrued in prior reporting Periods



## **Appendix 5**

### **Joint Administrators' Statement of Proposals**

#### **The Joint Administrators propose the following:**

- To continue to do all such things reasonably expedient and generally exercise all their powers as Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Company in accordance with the objective set out above
- To investigate and, if appropriate, pursue any claims the Company may have
- In the event that the Administrators deem that Liquidation is not appropriate because the costs of putting the Company in to Liquidation outweigh any potential benefit to unsecured creditors, that the Administrators may apply to the Court for the authority to make a distribution to unsecured creditors in the Administration
- In the event that there are no other outstanding matters that require to be dealt with in the Administration, then the Administrators shall file the appropriate notices at Companies House and the Company will subsequently be dissolved pursuant to Paragraph 84 of Schedule B1 to the Act
- That the Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect
- If one of the criteria set out in Paragraph 79(2) of Schedule B1 to the Insolvency Act 1986 apply to the Company, the Administrators can make an application to Court to end the Administration and, if deemed appropriate, to petition the Court for the winding up of the Company. If appropriate, the Administrators will, at the same time, apply to be appointed as Joint Liquidators under Section 140(1) of the Insolvency Act 1986, and the Administrators will seek a resolution from creditors to be discharged from liability 14 days after the cessation of their appointment as Administrators, in respect of any action of the Administrators pursuant to Paragraph 98(1) of Schedule B1 to the Insolvency Act 1986
- That the Administrators may seek an extension to the Administration period if deemed necessary by the Administrators, firstly by consent from the secured creditors, and the requisite majority of preferential creditors and unsecured creditors if the Administrators think that there will be a distribution to them, for a six month period and, if further time is required, by an application to court under paragraph 76(2) of Schedule B1 to the Act

#### **In relation to the Joint Administrators' remuneration and pre-administration costs**

- In the event of no creditors' committee being formed, that the Administrators be authorised to draw fees on account from the assets of the Company from time to time during the period of the Administration based on time properly spent at the charge out rates shown in Appendix 2. Also, the Administrators be authorised to draw disbursements from time to time to include category 2 disbursements



***Brookmann Home Manchester 1877 Limited (in Administration)***  
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***KPMG LLP***  
***22 May 2015***

- That the costs of KPMG LLP in respect of tax, VAT, and pension advice provided to the Administrators be based upon time costs and shall be paid out of the assets of the Company,
- That the unpaid pre administration costs detailed in Appendix 4 will be an expense of the Administration