

**Liquidator's Progress  
Report****S.192****Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986**

To the Registrar of Companies

Company Number

00034239

Name of Company

Brintons Limited

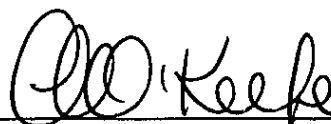
I / We  
G P Squires  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

A C O'Keefe  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

the liquidator(s) of the company attach a copy of my/our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 02/12/2012 to 01/12/2013

Signed



Date

19 / 12 / 2013

Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

Ref 10246-001/MMCD/JEC/SOL/MTA/MAN

FRIDAY



A97

20/12/2013  
COMPANIES HOUSE

#113

Joint Liquidators'  
Annual Report  
for the period  
2 December 2012 to  
1 December 2013

Brintons Limited  
In Liquidation

19 December 2013

## Contents

1	Statutory information .....	1
2	Progress of the Liquidation.....	1
3	Unrealised assets.....	2
4	Investigations .....	2
5	Joint Liquidators' remuneration .....	3
6	Outcome for creditors .....	4
7	Creditors' rights.....	5

## Appendices

Receipts and Payments Account for the periods 2 December 2012 to 1 December 2013, 2 December 2013 to 16 December 2013 and a Cumulative Account for the period 2 December 2011 to 16 December 2013 .....	Appendix A
Time Analyses for the periods 2 December 2012 to 1 December 2013 and 2 December 2013 to 16 December 2013 .....	Appendix B
Cumulative Time Analysis for the period 2 December 2011 to 16 December 2013 ....	Appendix C
Additional information in relation to the Joint Liquidators' remuneration pursuant to Statement of Insolvency Practice 9 .....	Appendix D

Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester M2 1AB

t: +44 (0) 161 838 4500 f: +44 (0) 161 838 4501

© Zolfo Cooper 2013 All rights reserved

[www.zolfocooper.com](http://www.zolfocooper.com)

## **1 Statutory information**

- 1.1 Anne O'Keefe and Gary Squires were appointed Joint Liquidators of Brintons Limited (the Company) on 2 December 2011, following the filing of Form 2.34B - Notice of move from Administration to Creditors' Voluntary Liquidation with the Registrar of Companies.
- 1.1 The Liquidation is being handled by Zolfo Cooper's Manchester office, situated at The Zenith Building, 26 Spring Gardens, Manchester M2 1AB.
- 1.2 The trading address of the Company was 322 High Holborn, London, WC1V 7PB.
- 1.3 The registered office of the Company has been changed to c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester M2 1AB and the registered number is 00034239.
- 1.4 As approved by the meeting of creditors held on 10 November 2011 pursuant to section 98 of the Insolvency Act 1986, any act required or authorised to be done by the Joint Liquidators may be done by all or any one or more of them.

## **2 Progress of the Liquidation**

- 2.1 The Joint Liquidators' Receipts and Payments Account for the periods 2 December 2012 to 1 December 2013 and 2 December 2013 to 16 December 2013, together with a Cumulative Account for the period 2 December 2011 to 16 December 2013 are attached at Appendix A.
- 2.2 The Liquidation has now been completed, all realisable assets have been realised, and the proceeds distributed in accordance with the Insolvency Act 1986, details of which are provided below.

### **Surplus from the Administration**

- 2.3 As previously advised, the surplus balance, after the costs of the Administration, totalling £630,859 was transferred to the Joint Liquidators' account.
- 2.4 As the Company granted a floating charge to the secured creditor after 15 September 2003, the Joint Liquidators were required to create an Unsecured Creditors' Fund (see section 6.3). The maximum amount of £600,000 was available for the Unsecured Creditors' Fund.
- 2.5 After the deduction of costs, the total funds distributed to creditors was £585,147 and the rate of the dividend was 0.98 pence in the pound. The dividend was declared on 11 June 2013.

### **Investigation into the sale of the business**

- 2.6 Prior to the appointment of the Joint Liquidators, Simon John Granger and Chad Griffin of FTI Consulting Limited were appointed Joint Administrators of the Company on 2 September 2011 (the Joint Administrators). A pre-packaged sale of the Company's business and assets to Brintons Carpets Limited (BCL) completed on the same date.

- 2.7 As detailed in the Annual Report dated 19 January 2013, since appointment the Joint Liquidators have communicated with the PPF and the Pension Regulator to discuss their concerns in respect of the sale. The Joint Liquidators conducted an in-depth investigation into the events leading up to the Administration and the subsequent sale of the Company's business and assets. This included a review of the conduct of the sale in accordance with Statement of Insolvency Practice 16 (SIP 16). The PPF has made a contribution of £87,807 towards the Joint Liquidators' time costs for dealing with the investigation and statutory matters.
- 2.8 During the period the Joint Liquidators have concluded their investigation and, following discussions with the PPF, do not propose to take any further action.

### **Novation of contracts**

- 2.9 During the Liquidation, BCL requested that the Joint Liquidators sign various novations on behalf of the Company in respect of trademark and supplier agreements, as set out in the pre-packaged sale agreement. BCL agreed to fund the costs of notarising these documents and the sum of £726 has been received.
- 2.10 BCL also requested that the Joint Liquidators sign an amendment to a Share Purchase Agreement that was originally dated 2 September 2011. The Joint Liquidators sought legal advice in relation to this matter prior to signing the Amendment and Transfer Form. The Joint Liquidators costs of £5,997 and legal fees totalling £6,052 have been paid by BCL.

### **Sundry receipts and interest**

- 2.11 Bank interest of £2,579 and sundry receipts totalling £141 has been received.

## **3 Unrealised assets**

- 3.1 All assets have been realised

## **4 Investigations**

- 4.1 The Joint Liquidators conducted investigations into the conduct of the directors and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986, and Statement of Insolvency Practice 2 - Investigations by Office Holders in Administrations and Insolvent Liquidations. Based upon the outcome of the Joint Liquidators' investigations, there were no matters identified that required further action in respect of the directors' actions.
- 4.2 As detailed in section 2, the Joint Liquidators completed an investigation into the events leading to the previous appointment of Joint Administrators and the conduct of the pre-packaged sale of the Company's business and assets. No further action is required in respect of this matter.

## 5 Joint Liquidators' remuneration

- 5.1 The basis of the Joint Liquidators' remuneration was approved by the meeting of creditors held on 26 January 2012 as being by reference to the time properly spent by the Joint Liquidators and their staff on matters arising in the Liquidation.
- 5.2 The Joint Liquidators' time costs for the period 2 December 2012 to 1 December 2013 are £34,255. This represents 169 hours at an average rate of £202 per hour. The Joint Liquidators' time costs for the period 2 December 2013 to 16 December 2013 are £1,053, which represents 4 hours at an average rate of £251 per hour. Time Analyses for the periods which provide details of the costs incurred by activity and by staff grade are attached at Appendix B.
- 5.3 Principal areas of activity during the period are discussed in further detail below.
- **Administration and planning** - time has been incurred managing and monitoring the case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
  - **Investigations** - time has been incurred investigating the events leading to the previous appointment of Joint Administrators and the sale of the business and assets of the Company in accordance with SIP 16. This also includes time spent corresponding with the PPF and the Pensions Regulator
  - **Realisation of assets - floating charge** - time recorded within this category includes dealing with notarisation of documents and patents for BCL and liaising with the solicitor regarding the amendment to the Share Purchase Agreement and Transfer
  - **Creditors** - time has been spent gathering information in order to deal with employee claims and liaising with the Employment Tribunal. Time spent dealing with creditor correspondence, reviewing unsecured claims, calculating the dividend and making a distribution is recorded in this section. Time has also been spent reporting to creditors and holding the annual meetings of members and creditors
- 5.4 A copy of 'A Creditors' Guide to Liquidators' Fees' can be downloaded from Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>) - click on **Creditors' Guide to Fees** in the menu on the left side of the screen. If you would prefer this to be sent to you in hard copy please contact Sophie Loughnane on 0161 838 4578 or by email [sloughnane@zolfocooper.eu](mailto:sloughnane@zolfocooper.eu) and she will forward a copy to you. Alternatively, postal requests should be sent to the registered office per section 1.3.
- 5.5 A Cumulative Time Analysis for the period 2 December 2011 to 16 December 2013 which provides details of the activity costs incurred by staff grade since the Joint Liquidators' appointment is also attached at Appendix C. Time costs for the cumulative period total £152,257. Of this amount, a total of £97,639 are time costs relating to the investigation.
- 5.6 A total of £115,997 plus category 1 disbursements of £6,406 and category 2 disbursements of £217 have been drawn during the course of the Liquidation. A further fee of £7,807 will be drawn prior to the final meetings of members and creditors. As detailed in section 2.7, the PPF has made a contribution of £87,807 towards costs. In addition, BCL have paid costs in the sum of £5,997.
- 5.7 The Joint Liquidators confirm that the following category 2 disbursements have been drawn.

- Photocopying - charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying.
- Printing - charged at the rate of ten pence per sheet for black and white printing and 15 pence per sheet for colour.

- 5 8 Information in relation to the Joint Liquidators' policy on staffing, the use of sub-contractors, payment of disbursements and details of their current charge-out rates by staff grade is attached at Appendix D.

## **6 Outcome for creditors**

### **Secured creditor - Lytham Holdco Limited (LHL)**

- 6 1 There is a small surplus of funds available to LHL which is estimated to be £2,250. This will be remitted after all costs have been finalised. These costs include statutory advertising of the notice of the final meeting, storage of records and postage

### **Preferential creditors**

- 6.2 All employees of the Company transferred to BCL under the Transfer of Employment (Protection of Employment) Regulations 2006. There are therefore no preferential creditors.

### **Unsecured Creditors' Fund**

- 6.3 Pursuant to section 176A of the Insolvency Act 1986, where there is a floating charge which post-dates 15 September 2003, the Joint Liquidators are required to create a fund from the Company's net property available for the benefit of unsecured creditors (Unsecured Creditors' Fund), commonly known as the prescribed part
- 6 4 As the Company granted a floating charge to the secured creditor after 15 September 2003, the Joint Liquidators were required to create an Unsecured Creditors' Fund. The amount available for the Unsecured Creditors' Fund was £585,147 from which a distribution of 0.98 (zero point nine eight) pence in the pound was paid to unsecured creditors on 11 June 2013.

### Unclaimed dividends

- 6.5 All cheques paid to unsecured must be banked within six months of the date of the cheque. Three dividends totalling £732 were not claimed as at 11 December 2013. The Joint Liquidators are in the process of cancelling these cheques and forwarding the proceeds to The Insolvency Service, Estate Accounts Directorate, Unclaimed Monies Team, PO Box 3690, Birmingham, B2 4UY.
- 6.6 If your cheque has cancelled, please allow ten working days to pass before submitting a claim to The Insolvency Service. To make a claim, creditors should contact the Insolvency Service by email at: [EAIPS.Unclaimed@insolvency.gsi.gov.uk](mailto:EAIPS.Unclaimed@insolvency.gsi.gov.uk) and put Brintons Limited as the subject.
- 6.7 The transfer of responsibility to the Insolvency Service is a routine step which requires administrators of an insolvent company to transfer unclaimed dividends to the agency six months after the cheques were issued. The agency will hold the funds for the next six years, after which it will return any money that remains unclaimed to HM Treasury, however, this does not affect creditors' rights to claim funds after the six years has passed.

## 7 Creditors' rights

- 7.1 Within 21 days of the receipt of the report, a secured creditor, or an unsecured creditor with the concurrence of at least 5% of the value of the unsecured creditors may request in writing that the Liquidator provide further information about their remuneration or expenses which have been itemised in this progress report.
- 7.2 Any secured creditor, or an unsecured creditor with the concurrence of at least 10% of the value of unsecured creditors may within eight weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Joint Liquidators' remuneration is inappropriate, or that the remuneration or the expenses incurred by the Joint Liquidators as set out in this progress report are excessive.

Yours faithfully



Gary Squires  
Joint Liquidator

Encs



**Receipts and Payments Account for the periods  
2 December 2012 to 1 December 2013,  
2 December 2013 to 16 December 2013 and a  
Cumulative Account for the period 2 December 2011 to  
16 December 2013**

**Appendix A**

	02/12/2012 - 01/12/2013	02/12/2013 - 13/12/2013	02/12/2011 - 16/12/2013
	£	£	£
<b>Floating charge assets</b>			
<b>Receipts</b>			
Surplus from Administration	-		630,859
Sundry receipts	141		141
Contribution from PPF	-	87,807	87,807
Contribution from BCL	12,049		12,049
Contribution to notary fees	120	-	726
Bank Interest	1,401	-	2,579
	<u>13,711</u>	<u>87,807</u>	<u>734,161</u>
<b>Payments</b>			
<b>Joint Liquidators' fees</b>			
Investigation	75,000	-	75,000
Liquidation	40,997		40,997
<b>Legal fees</b>	11,053		14,229
Professional fees - Payco ERA Limited	59	-	546
<b>Category 1 disbursements</b>			
Stationery and postage	385	-	5,745
Company search	5	-	5
Statutory advertising	85		236
Bordereau	420		420
<b>Category 2 disbursements</b>			
Copying and printing	217		217
Bank charges	12		12
Notary fees	120	-	700
	<u>(128,353)</u>	<u>-</u>	<u>(138,107)</u>
<b>Distributions</b>			
Unsecured creditors, 0.98p/£, 11/06/13	455,147	130,000	585,147
	<u>(455,147)</u>	<u>(130,000)</u>	<u>(585,147)</u>
<b>Total balance</b>			<u><u>10,907</u></u>
<b>Represented by</b>			
VAT receivable			7,139
Interest bearing account			3,768
			<u><u>10,907</u></u>

Statement of Insolvency Practice 7 states the headings used in the receipts and payments account should follow those used in any prior statement of affairs (SOA) or estimated outcome statement. The SOA was provided by the Company's directors at the commencement of the Administration and provided estimated to realise values for the categories of assets to be realised. The receipts on the R&P above represent funds passed into Liquidation from the Administration, and as such, a meaningful comparison to the SOA by category cannot be made.

Time Analyses for the periods 2 December 2012 to  
1 December 2013 and 2 December 2013 to  
16 December 2013

Appendix B

02/12/2012 01/12/2013	Employee grade (hours)				Total hours	£	
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support		Total cost	Average rate per hour
Administration and planning							
Planning				0.5	0.5	57.50	115
Strategy and control	2.9	1.7	0.2	0.3	5.1	1,796.00	352
Statutory duties		0.7	3.2	1.0	4.9	1,079.50	220
Case administration	0.6	0.9	1.4	4.0	6.9	1,625.00	193
Accounting and treasury	2.5	3.4	3.2	18.3	27.4	4,905.00	179
Travel and waiting time						0.00	n/a
Internal documentation	-		0.2	0.8	1.0	142.00	142
Investigations							
Other investigations	2.0	13.0	2.5		17.5	6,733.50	385
Internal documentation	-	7.0	0.3		7.3	2,311.00	317
Realisation of assets - floating charge							
Sale of assets				0.7	0.7	87.50	125
Asset accounting and administration	0.1	1.5	4.2	11.1	16.9	2,857.00	169
Creditors							
Creditor strategy		0.3			0.3	94.50	315
Reporting to creditors		0.5	9.0	13.8	23.3	3,826.50	164
Secured creditors			0.2	0.3	0.5	85.50	171
Unsecured creditors	0.8	2.3	10.5	37.4	51.0	8,137.00	160
Employees		0.1	-	4.0	4.1	517.00	126
<b>Totals</b>	<b>8.9</b>	<b>31.4</b>	<b>34.9</b>	<b>94.2</b>	<b>169.4</b>	<b>34,254.50</b>	<b>202</b>

02/12/2013 - 16/12/2013	Employee grade (hours)				Total hours	£	
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support		Total cost	Average rate per hour
Administration and planning							
Case administration		0.1			0.1	32.00	320
Accounting and treasury		0.2	1.0	0.7	1.9	360.50	200
Internal documentation			0.1		0.1	24.00	240
Creditors							
Secured creditors	0.2				0.2	72.00	360
Unsecured creditors		1.1	0.8		1.9	544.00	286
<b>Totals</b>	<b>0.2</b>	<b>1.4</b>	<b>1.9</b>	<b>0.7</b>	<b>4.2</b>	<b>1,052.50</b>	<b>251</b>

# Cumulative Time Analysis for the period 2 December 2011 to 16 December 2013

## Appendix C

	Employee grade (hours)				Total hours	£	
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support		Total cost	Average rate per hour
Administration and planning							
Planning			2.8	0.5	3.3	701.50	213
Strategy and control	4.1	4.1	9.4	0.5	18.1	5,165.00	285
Statutory duties		1.1	4.1	4.6	9.8	1,828.50	187
Case administration	2.9	2.0	3.7	8.6	17.2	3,633.50	211
Accounting and treasury	2.6	6.9	7.2	36.3	53.0	8,878.50	168
Internal documentation		0.1	1.4	8.6	10.1	1,347.50	133
Investigations							
Director conduct reports	6.0	0.2	1.9	4.0	12.1	3,000.00	248
Other investigations	42.8	180.8	8.5	7.0	239.1	97,639.00	408
Internal documentation	-	7.0	0.3	-	7.3	2,311.00	317
Realisation of assets floating charge							
Asset identification and valuation			0.3	9.0	9.3	1,104.00	119
Sale of assets	1.3		0.7	0.7	2.7	736.00	273
Recovery of assets	-		2.0		2.0	460.00	230
Dealing with third party assets			3.4		3.4	782.00	230
Asset accounting and administration	0.1	2.5	13.0	13.2	28.8	5,437.50	189
Creditors							
Creditor claims		0.2	1.0		1.2	283.00	236
Creditor strategy		0.3			0.3	94.50	315
Reporting to creditors		0.5	9.1	13.8	23.4	3,849.50	165
Creditor meetings			0.3		0.3	69.00	230
Secured creditors	0.2		0.2	0.3	0.7	157.50	225
Unsecured creditors	0.8	4.2	18.3	41.0	64.3	10,925.00	170
Employees		0.7	6.4	18.6	25.7	3,852.00	150
Totals	60.8	210.6	94.0	166.7	532.1	152,256.50	286

## Additional information in relation to the Joint Liquidators' remuneration pursuant to Statement of Insolvency Practice 9

## Appendix D

### 1 Policy

Detailed below is Zolfo Cooper's policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements

#### 1.1 Staff allocation and the use of sub-contractors

The Joint Liquidators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a partner, an associate director or a senior associate, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Joint Liquidators' charge-out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, time spent by treasury in relation to specific tasks on an assignment is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The following service has been provided on this assignment by an external sub-contractor.

Service type	Service provider	Basis of fee arrangement	Cost to date £
Employee claim processing	Payco ERA Limited	Time costs	546

#### 1.2 Professional advisors

On this assignment the Joint Liquidators have used the professional advisors listed below. The Joint Liquidators have also indicated alongside the basis of their fee arrangement with them which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
SNR Denton UK LLP (legal advice)	Hourly rate and disbursements

The Joint Liquidators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

### 1.3 Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Joint Liquidators and their staff will also be chargeable.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the approval given by the creditors committee, or body of creditors as appropriate. Category 2 disbursements incurred are as follows.

- Photocopying - charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying.
- Printing - charged at the rate of ten pence per sheet for black and white printing and 15 pence per sheet for colour.

## 2 Charge-out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 April 2013 is detailed below, together with those applicable prior to that date. Time is charged by partners and case staff in units of six minutes.

Description	Rates from 1 April 2013	Description	Rates pre 1 April 2013
	£		£
Partner 1*	445	Partner 1*	445
Partner 2*	415	Partner 2*	395
Director	360	Director	340
Associate director*	320	Senior associate 1*	315
Senior associate	280	Senior associate 2*	265
Associate	240	Associate	230
Analyst	220	Analyst	220
Junior analyst	125	Junior analyst	115
Senior treasury associate	170	Senior treasury associate	150
Treasury associate	110	Treasury associate	105
Treasury analyst	85	Treasury analyst	80
Support	79	Support	75

**\*Key**

*Partner 1 - partners with three or more years' experience at partner level*

*Partner 2 - partners with fewer than three years' experience at partner level*

*Promotion from senior associate to associate director from 1 April 2013 is on the basis of performance and experience. Prior to that, the distinction from senior associate 2 to senior associate 1 was made for staff with two or more years' experience at senior associate level.*