

The Insolvency Act 1986

Notice of move from administration to dissolution

Name of Company HBCL Realisations Limited (formerly H Bronnley & Co Limited) (In Administration) ("the Company")	Company number 00046883
In the High Court of Justice, Chancery Division, Companies Court <small>[full name of court]</small>	Court case number 10382/2011

(a) Insert name(s) and address(es) of administrator(s) I / We (a) Tomislav Lukic and Mark Boughey
Ernst & Young LLP, No 1 Colmore Square, Birmingham, B4 6HQ and Ernst & Young LLP, Paragon Building, Counterslip, Bristol, BS1 6BX

having been appointed administrator(s) of

(b) Insert name and address of registered office of company (b) HBCL Realisations Limited (formerly H Bronnley & Co Limited), No 1 Colmore Square, Birmingham, B4 6HQ

(c) Insert date of appointment on (c) 29 November 2011 by (d) the Company's Directors
 (d) Insert name of applicant / appointor hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

I / we attach a copy of the final progress report

Signed

[Signature]
 Joint / Administrator(s)

Dated 23 May 2014

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

Simon Roberts	
Ernst & Young LLP, No 1 Colmore Square, Birmingham, B4 6HQ	
	Tel 0121 535 2693
DX Number	DX Exchange

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

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COMPANIES HOUSE

TO ALL KNOWN CREDITORS

23 May 2014

Ref BRO/TL/SH/SR/D16 1

Simon Roberts

Direct line 0121 535 2693
Direct fax 0121 535 2448

Dear Sirs

**HBCL Realisations Limited (formerly H. Bronnley & Co. Limited)
(In Administration) ("the Company")**

High Court of Justice, Chancery Division, Companies Court, 10382/2011

**Registered office address: c/o Ernst & Young LLP, No.1 Colmore Square, Birmingham,
B4 6HQ**

Registered number 00046883

I write to provide you with my final progress report in the Administration, which includes details of the final outcome. The report covers the period from 1 March 2014 to 23 May 2014 and should be read in conjunction with the Joint Administrators' Statement of Proposals ("the Proposals") dated 20 January 2012 and the previous six month progress reports to creditors dated 27 June 2012, 27 November 2012, 7 June 2013, 28 October 2013 and 27 March 2014.

As you are aware, on 29 November 2011 the Company entered Administration and Ian Best and Diana Frangou were appointed as Joint Administrators. Subsequently, on 14 December 2011 the business and certain assets of the Company were sold to H Bronnley & Co UK Limited (formerly Network Health and Beauty Limited) ("HBCUK"), and the Company ceased to trade on the same day.

By order of the Court ("the First Order"), Tomislav Lukic was appointed as Joint Administrator in place of Diana Frangou with effect from 7 March 2013.

Subsequently, by order of the Court ("the Second Order"), Mark Boughey was appointed as Joint Administrator in place of Ian Best with effect from 30 August 2013, following Ian Best's retirement from Ernst & Young LLP. No creditors acted to vary or discharge the Second Order within the 28 day limit, and as such, Ian Best has been released from his appointment.

Any act required or authorised to be done by the Joint Administrators can be done by either of the current appointees.

Summary of progress since our last report

Since our last report we have progressed the following key areas:

- Settled all costs in relation to commission due to overseas sales agents during the Administration trading period,

- ▶ Completed the first and final distribution to unsecured, non-preferential creditors by virtue of the Prescribed Part,
- ▶ Fulfilled statutory duties including submission of a final VAT return, and
- ▶ Obtained the relevant clearances from HM Revenue and Customs in order to close the Administration

Assets subject to fixed charge

Notified book debt

As detailed in our previous report, the position in respect of notified book debt collections has been finalised resulting in HBC Invoice Finance (UK) Limited ("HIF") being paid in full and a distribution totalling £284,647 made to HSBC Bank Plc ("the Bank") under its contract for monies assignment. There have been no changes in this regard since our last report.

Assets subject to floating charge

Corporation tax, PAYE, NIC and VAT

HM Revenue & Customs has confirmed that the Company has no Corporation tax, PAYE, NIC or VAT issues outstanding and has subsequently provided us with clearance to close the Administration.

European agents' commission

In the period since our last report, we received notification from HBCUK that there were outstanding amounts due to HBCUK and European sales agents in relation to commission accruing during the Administration trading period. It was agreed with HBCUK that the Company would only settle commission amounts for which the corresponding invoices had been settled by the final customer and associated funds received in the Administration. As such, amounts totalling €5,907.16 (c. £4,993) have been paid to HBCUK by the Company in this regard. A sum of €5,051.62 relates to a reimbursement to HBCUK for commission settled by HBCUK during the Administration and €855.54 relates to commission due directly to agents, which HBCUK has remitted to the respective parties on the Company's behalf.

HBCUK have since confirmed that there are no further amounts due from the Company in relation to the Administration period and that they have paid the outstanding commission amounts that were forwarded by the Company to the respective sales agents.

Receipts and payments account

A receipts and payments account for the period 29 November 2011 to 23 May 2014 is attached at Appendix 1.

The VAT element of certain supplies made to the Company prior to our appointment and with respect to the Property is not recoverable and as such is a cost to the Company. Details of such amounts are included within the receipts and payments account at Appendix 1.

Secured creditors

As previously reported, the balance due to HIF of £685,926 (including post appointment interest and charges) has been repaid in full

The Bank's indebtedness on appointment totalled £4.1 million in respect of both its fixed and floating charges. In the period of this report a final distribution of £45,537 was made to the Bank under the fixed charge. On 23 May 2014, the final distribution of £19,673 was made to the Bank under the floating charge. As such, total distributions to the Bank in the Administration have totalled c £2.11 million in addition to the distributions made to the Bank directly by HIF of £284,647.

The indebtedness of Kaye Enterprises Limited ("KE") at the date of our appointment totalled £5.6 million, which was secured by both fixed and floating charges that ranked behind the charges held by HIF and the Bank. KE has since released its security and has participated in the Prescribed Part distribution.

Preferential creditors

As detailed in our previous report, the trustees of the Company's defined benefit pension scheme (H Bronnley & Company Limited 1976 Retirement fund) ("the Scheme") submitted a preferential claim totalling £31,540 in the Administration. Following the Redundancy Payments Service ("RPS") making payment to the Scheme in full, we have made a first and final distribution to the RPS for the full amount of the preferential claim, being a dividend of 100p/£.

Non-preferential creditors

Due to the expected shortfall to the Company's secured creditors there were insufficient funds available for the non-preferential creditors other than by virtue of the Prescribed Part, discussed in further detail below.

The Prescribed Part

As you are aware, we were granted permission by the Court to calculate and distribute the Prescribed Part in the Administration.

As part of the Prescribed Part proving process, we received unsecured, non-preferential claims totalling c £10.5m. Amounts available for distribution in the Prescribed Part totalled £58,678, prior to the associated Joint Administrators' costs in relation to the agreement of relevant claims and distributing the Prescribed Part, which are deductible from the gross distribution. The Joint Administrators' fees and costs totalled £15,000 (plus VAT) in this regard and were approved by the Company's secured and preferential creditors.

As such, a dividend of 0.004 pence in the pound was declared and a first and final distribution has been made to unsecured, non-preferential creditors. Due to the quantum of their claims, Kaye Enterprises Limited and the Scheme (through the Pension Protection Fund), formed the most significant non-preferential claims in the Prescribed Part distribution.

Joint Administrators' remuneration, disbursements and professional expenses

The Administrators' remuneration was fixed on a time-cost basis following the deemed acceptance of the Proposals on 9 February 2012.

The Administrators have received approval from the Company's secured and preferential creditors, where relevant in relation to remuneration of £65,000 in respect of fixed charge costs, £200,000 in

respect of floating charge costs and £15,000 in respect of the Prescribed Part distribution process, which have been drawn in full

An analysis of the time spent is attached as Appendix 2 to this report. At Appendix 3 there is a statement of the Administrators' policy in relation to charging time and disbursements. The Administrators have incurred time costs of £687,875 and the sum of £4,837 has been incurred in respect of disbursements.

The Administrators have incurred professional expenses of £100,328 plus VAT during the Administration, as follows:

Type of expense	Incurred by	Paid (net)
Agents fees	GVA Grimley Limited	£51,398
Legal fees – post-appointment	Pinsent Mason LLP	£36,110
Legal fees – pre-appointment	Pinsent Mason LLP	£7,369
Legal fees – pre-appointment	Eversheds LLP	£2,065
Category 1 & 2 disbursements	Ernst & Young LLP	£3,386
Total		£100,328

There is an analysis of Category 2 disbursements (i.e. those disbursements paid to the Joint Administrators' firm) at Appendix 2.

In certain circumstances, creditors are entitled to request further information regarding the Administrators' remuneration or expenses, or to apply to the court on the grounds that the costs are considered to be excessive (Rules 2.48A and 2.109 of the Insolvency Rules 1986). Further information is provided at Appendix 4.

Pre-Administration costs

On 14 May 2012, the Administrators' unpaid pre-Administration time costs totalling £16,820, were approved by the Company's secured creditors and subsequently paid. No further fees will be drawn in respect of pre-Administration costs by the Administrators.

The outcome of the Administration

In accordance with the terms of the Proposals, as there are no further assets to be realised or distributions to be made, the Company will move from Administration to Dissolution. The Joint Administrators have received their release and discharge from the secured and preferential creditors. The Administration will come to an end on the date on which Form 2.35B, Notice of Move from Administration to Dissolution is registered with the Registrar of Companies and the Company will be deemed to be dissolved three months later.



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Should you have any further queries, please do not hesitate to contact my colleague, Simon Roberts, on 0121 535 2693

Yours faithfully
for the Company

T Lukic
Joint Administrator

Enc	Appendix 1	Joint Administrators' Abstract of Receipts and Payments from 29 November 2011 to 23 May 2014
	Appendix 2	Summary of Joint Administrators' Time-Costs and Category 2 Disbursements from 29 November 2011 to 16 May 2014
	Appendix 3	Joint Administrators' Policy on Fees and Disbursements
	Appendix 4	Creditors' request for further information regarding an administrator's remuneration or expenses
	Form 2 35B	Notice of move from Administration to Dissolution

T Lukic and M Boughey are licensed in the United Kingdom to act as Insolvency Practitioners by The Institute of Chartered Accountants in England and Wales

The affairs, business and property of the Company are being managed by the Joint Administrators T Lukic and M Boughey who act as agents of the Company only and without personal liability

We may collect, use, transfer, store or otherwise process (collectively, "Process") information that can be linked to specific individuals ("Personal Data") We may Process Personal Data in various jurisdictions in accordance with applicable law and professional regulations including (without limitation) the Data Protection Act 1998

**HBCL Realisations Limited (formerly H. Bronnley & Co. Limited)
(In Administration)**

**Joint Administrators' Abstract of Receipts and Payments from 29 November 2011 to
23 May 2014**

Notes	Estimated to realise as per Directors Statement of Affairs	Receipts and payments for the period 29 November 2011 to 28 February 2014		Receipts and payments for the period 1 March 2014 to 23 May 2014		Receipts and payments for the period 29 November 2011 to 23 May 2014	
		Fixed £	Floating £	Fixed £	Floating £	Fixed £	Floating £
Receipts							
Freehold property	2 500 000	1 800 000				1 800 000	
Property income		35 000				35 000	
Goodwill / intellectual property		200 000				200 000	
Notified book debts due to HIF	862 758						
Trading account			155 393		(4 993)		150 400
Non notified book debts	102 376		107 252				107 252
Plant and machinery	10 000		50 000				50 000
Inventory	500 000		247 998				247 998
Receipts received in error			19 330				19 330
Prepayments and other debtor realisations		6 931	7 538			6 931	7 538
Other realisations			(874)		874		
VAT payable							
	3 975 134	2 041 931	586,637		(4 119)	2 041 931	582,517
Payments							
Distribution to secured creditor		(1 840 000)	(200 000)	(45 537)	(19 673)	(1 885 537)	(219 673)
Joint Administrators' fees and disbursements		(65 000)	(220 206)		(15 000)	(65 000)	(235 206)
Agents' fees		(48 274)	(3 124)			(48 274)	(3 124)
Property costs		(15 672)				(15 672)	
Legal fees		(9 159)	(27 151)			(9 159)	(27 151)
Corporation tax			(7 709)				(7 709)
Preferential creditor distribution			(31 540)				(31 540)
Prescribed part distribution					(43 676)		(43 676)
Pre appointment legal fees			(9 435)				(9 435)
Other sundry expenses			(2 081)		(171)		(2 252)
Irrecoverable VAT		(18 288)	(1 877)		(874)	(18 288)	(2 751)
VAT receivable			(452)		452		
		(1,996 394)	(503 576)	(45,537)	(78 942)	(2 041 931)	(582,517)
Balances in hand		45 537	63 061	(45 537)	(63 061)		

Trading account

	Receipts and payments for the period 29 November 2011 to 28 February 2014	Receipts and payments for the period 1 March 2014 to 23 May 2014	Receipts and payments for the period 29 November 2011 to 23 May 2014
	£	£	£
Receipts			
Sales	247 101	68	247 169
	247,101	68	247,169
Payments			
Wages and related costs	(29 407)		(29 407)
Payroll costs	(6 761)		(6 761)
PAYE/NIC	(7 566)		(7 566)
ROT settlements	(13 495)		(13 495)
Subcontractors	(4 200)		(4 200)
Carriage costs	(11 018)		(11 018)
Employee expenses	(2 537)		(2 537)
Utilities and other property related costs	(7 526)		(7 526)
Sundry expenses	(3 888)		(3 888)
Royalties and commission	(2 399)	(4 993)	(7 392)
Irrecoverable VAT	(2 879)		(2 879)
	(91 776)	(4 993)	(96,769)
Balances in hand	155 325	(4,925)	150,400



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Appendix 2

HBCL Realisations Limited (formerly H. Bronnley & Co. Limited) (In Administration)

Summary of Joint Administrators' Time-Costs and Category 2 Disbursements from 29 November 2011 to 16 May 2014

Classification of work function	Hours				Total hours	Total time costs (£)	Total average hourly rate (£)
	Partner / Director	Manager	Other senior professionals	Assistants & support			
Accounting & administration	18.2	92.0	91.1	223.0	424.3	86,636.50	204.55
Bank & statutory reporting	40.5	92.4	181.2	171.5	485.6	115,930.00	239.98
Creditors	9.3	11.8	45.1	72.3	138.5	28,122.50	187.25
Debtors	17.0	44.9	100.6	174.1	336.6	64,750.50	192.37
Employee matters	7.3	15.0	29.2	31.5	83.0	18,458.50	222.39
Immediate tasks	0.9		6.0	9.5	16.4	2,728.00	166.34
Investigation/CDDA	0.8	0.5	6.4	34.5	42.2	6,161.00	146.00
Job acceptance & strategy			2.5	1.0	3.5	675.00	192.86
Legal issues		1.0	1.3	1.0	3.3	742.50	225.00
Other assets	5.0	5.0	2.3	2.9	15.2	4,987.00	328.09
Other matters	20.8	10.5	21.4	10.0	62.7	18,957.50	307.56
Pre appointment	22.5		32.2	21.5	76.2	19,975.00	262.14
Prescribed part		11.7	28.4	38.6	78.7	15,979.50	201.20
Property	65.0	125.5	14.1	43.0	247.6	81,855.00	330.59
Retention of title	15.1	1.0	87.4	170.2	273.7	44,990.50	164.38
Sale of business	31.5	95.5	50.2		177.2	62,185.00	350.93
Statutory duties	12.4	0.5	3.1	34.8	50.8	11,412.00	222.37
Trading	15.3	12.0	75.6	181.5	284.4	52,060.00	181.91
VAT & taxation	5.4	39.8	42.2	131.6	219.0	53,269.00	244.64
Total hours	287.0	559.1	820.3	1,352.5	3,018.9	687,875.00	227.86
Total time costs (£)	145,868.00	198,455.00	168,972.00	176,760.00			
Average hourly rate (£)	507.62	351.38	205.99	130.89			

Category 1 expenses (£)	1,695.37
Category 2 expenses (£)	3,141.74
Expenses total (£)	4,837.11

Current hourly charge out rates	Job title	Rates 1 July 2011 to 30 June 2012 (£)	Rates 1 July 2012 to 30 June 2013 (£)	Rates 1 July 2013 to 30 June 2014 (£)
Partner / Director	Partner	545	570	600
	Partner (tax)	1065	1090	1170
	Director	445	465	490
Manager	Assistant Director	390	410	430
	Assistant Director (tax)	520-565	545-725	570-760
	Senior Executive	305	320	335
Other senior professionals	Executive	220	230	240
	Assistant Executive	175	185	195
Assistants & support	Analyst	125-175	130-185	135-195
	Support	60-110	85-115	95-120

Category 2 Disbursements

Of the disbursements of £3,386 invoiced and paid as recorded in the receipts and payments account at Appendix 1, £2,807 relates to Category 2 disbursements (as defined at Appendix 3). The types of Category 2 disbursements and their respective costs are detailed below.

Type and purpose	£
Mileage	40p - 45p per mile
Stationery and supplies – circulars	2.8p per black and white impression, 7.031p per colour impression



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Appendix 3

HBCL Realisations Limited (formerly H. Bronnley & Co. Limited) (In Administration)

Office Holders' Charging Policy for Fees

The secured creditors have determined that the Joint Administrators' remuneration should be fixed on the basis of time properly spent by the Joint Administrators and their staff in attending to matters arising in the Administration

The Joint Administrators have engaged a manager and other staff to work on the cases. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Administrators

All time spent by staff working directly on case-related matters is charged to a separate time code established for each case. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown in Appendix 2, as are the current hourly rates used. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by this report

Office Holders' Charging Policy for Disbursements

Statement of Insolvency Practice No. 9 ("SIP 9") published by R3 (The Association of Business Recovery Professionals) divides disbursements into two categories

Category 1 disbursements comprise payments made by the office holders' firm, which comprise specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. These disbursements can be paid from the insolvent's assets without approval from the Committee. In line with SIP 9, it is our policy to disclose such disbursements drawn but not to seek approval for their payment

Category 2 disbursements comprise payments made by the office holders' firm which include elements of shared or overhead costs. Such disbursements are subject to approval from the secured creditors as if they were remuneration. It is our policy, in line with SIP 9, to seek approval for this category of disbursement before they are drawn

Creditors' request for further information regarding an administrators' remuneration or expenses – Rule 2.48A, Insolvency Rules 1986

(1) If—

(a) within 21 days of receipt of a progress report under Rule 2.47—

(i) a secured creditor, or

(ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or

(b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

(2) The administrator complies with this paragraph by either—

(a) providing all of the information asked for, or

(b) so far as the administrator considers that—

(i) the time or cost of preparation of the information would be excessive, or

(ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or

(iii) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

(3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—

(a) the giving by the administrator of reasons for not providing all of the information asked for, or

(b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

(4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such further period as the court thinks just "

Creditors' claim that remuneration is excessive – extract from Rule 2.109 of the Insolvency Rules 1986

"(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that—

(a) the remuneration charged by the administrator,

(b) the basis fixed for the administrator's remuneration under Rule 2.106, or

(c) expenses incurred by the administrator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report") "