

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company DEXTER PAINTS LIMITED	Company number 00388737
In the Manchester High Court of Justice, Chancery Division, Manchester District Registry	Court case number 3119 of 2008

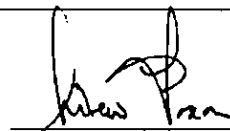
(a) Insert full name(s)
and address(es) of
administrator(s)

I/We (a) John Titley and Andrew Poxon of Leonard Curtis, DTE House,
Hollins Mount, Bury BL9 8AT

Joint Administrator(s) of the above company attach a progress report for the period

(b) Insert dates	from (b) 24 October 2008	to (b) 23 April 2009
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Signed


Joint / Administrator(s)

Dated 19 May 2009

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.

Leonard Curtis	
DTE House, Hollins Mount, Bury BL9 8AT	
Ref: DS/20	Tel 0161 767 1250
DX Number	DX Exchange

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Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff



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COMPANIES HOUSE



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**DEXTER PAINTS LIMITED
(IN ADMINISTRATION)**

**Joint Administrators' progress report
for the period 24 October 2008 to 23 April 2009**

19 May 2009

Leonard Curtis
DTE House, Hollins Mount, Bury, Lancashire BL9 8AT
Tel: 0161 767 1250 Fax: 0161 767 1240

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TO: THE REGISTRAR OF COMPANIES
THE COURT
ALL CREDITORS
ALL MEMBERS

1 STATUTORY INFORMATION

- 1.1 John Titley and I were appointed as Joint Administrators of Dexter Paints Limited ("the Company") in the jurisdiction of Manchester High Court, Manchester District Registry, number 3119 of 2008 on 24 October 2008. The administration appointment was made by the directors of the Company.
- 1.2 The Administration is being handled by Leonard Curtis' Bury office, which is situated at DTE House, Hollins Mount, Bury, Lancashire BL9 8AT.
- 1.3 The trading address of the Company is Albert Works, Trafalgar Street, Burnley, Lancs, BB11 1RE. The business traded under its registered name.
- 1.4 The Company's registered office was changed from Dexter House, Trafalgar Street, Burnley, Lancs, BB11 1RE to DTE House, Hollins Mount, Bury BL9 8AT on 27 October 2008. The registered number is 00388737.
- 1.5 The functions of the Administrators may be exercised by either or both, acting jointly or alone.

2 PROGRESS OF THE ADMINISTRATION

- 2.1 Attached at Appendix A is the Joint Administrators' receipts and payments account for the six month period from 24 October 2009 to 23 April 2009.

2.2 Sale of Business

Creditors will be aware that the administrators were able to complete a sale of business and assets following receipt of three separate offers to purchase the Company's business and/or assets. The offers were received in respect of the stock and goodwill in 2 of the retail sites at Blackburn and Burnley and the goodwill and assets of the manufacturing side of the business at Burnley. The purchasing companies were Dexters of Burnley Limited, Dexter Decorative Supplies Limited and Advance CP Limited.

The three offers totalled £59,500 and following advice from our appointed agents, SHM Smith Hodgkinson, who had carried out valuations of the Company's physical assets, these offers were accepted.

The total consideration was £59,500 of which £34,500 was paid on completion and the balance is payable by way of deferred consideration.

The sales consideration was apportioned as follows:

	£
Goodwill	35,000
Stock, Fixtures and Fittings, Plant, Machinery and one vehicle	19,500
Work in Progress	5,000
	<u>59,500</u>

It should be noted that the whole of the sale consideration in respect of the manufacturing business and assets has been personally guaranteed by Neil Eatough.

As at 23 April 2009 £46,999.98 has been paid by the purchasers. Since 23 April 2009 a further £4,166.66 has been received and the instalment agreement is up to date at this time.

2.3 Motor Vehicles

The Company owned 3 additional unencumbered motor vehicles which were excluded from the sale. The vehicles have now been sold and realisations of £11,000 have been made in that regard.

2.4 Residual Stock

The administrators were made aware of certain residual stock that was not included in the above sales. Our agents were able to secure offers totalling £1,350 plus VAT and recommended that these offers be accepted. The offers were subsequently accepted.

2.5 Book Debts

The Company financed its book debt ledger with The Royal Bank of Scotland Invoice Finance Limited ("RBSIF") and had granted a fixed charge over book debts and a floating charge over all other assets which was created on 20 November 2007 and registered on 21 November 2007. At the date of administration the gross debtors ledger was approximately £290,000, the approved debtors were approximately £278,000 and the current account due to RBSIF was approximately £255,000. As at 23 April 2009 the Sales ledger was £74,979.61 and the current account was £46,254.19. Collections to date equate to £208,745.81. It is anticipated that RBSIF will suffer a shortfall in this instance once collections have been completed. In addition, £6,152.97 of debtor monies have been paid to the administrators directly. The Company's credit controller was retained for a period of 3 months to maximise collections since their independent collection agent have been appointed to finalise collections.

2.6 Rates and Sundry Refunds

A business rates refund in the sum of £1,108.33 was received during the period 24 October 2008 and 23 April 2009. In addition other sundry refunds in the sum of £873.75 were received in the same period.

3 ASSETS STILL TO BE REALISED

- 3.1 The only outstanding items are the remaining deferred consideration balances and collection of the remaining debtor amounts. The deferred payments agreement is up to date at this time.

4 JOINT ADMINISTRATORS' REMUNERATION

- 4.1 The secured and preferential creditors have approved that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Administration.
- 4.2 The Joint Administrators' time costs at 23 April 2009 are £28,703.00. This represents 176.6 hours at an average rate of £162.53 per hour. Attached at Appendix B is a time analysis which provides details of the activity costs incurred by staff grade during this period.
- 4.3 As at the date of this report remuneration of £10,000 has been drawn on account.
- 4.4 Attached as Appendix C is additional information in relation to the firm's policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade.

5 ESTIMATED OUTCOME FOR CREDITORS

5.1 Secured Creditors

According to Companies House, the Company had granted a debenture to Barclays Bank Plc that was created on 1 June 2001 and registered on 7 June 2001. It is understood from the directors of the Company that Barclays had been repaid in full and should be shown as satisfied.

In addition the Company also granted a debenture to The National Westminster Bank Plc ("Nat West Bank") that was created on 3 July 2007 and registered on 6 July 2007. At the date of administration Nat West Bank were owed some £32,000 in respect of an overdraft and approximately £420,000 in respect of a loan agreement secured over property held by the holding company, Dexter Paints Holding Limited. We understand that this loan has been transferred over to Dexter Paints Holding Limited and that Nat West Bank is likely to be repaid in full in that regard. £25,000 has been received to date in respect of Goodwill and fixed charge realisations and paid across to Nat West Bank.

As previously stated, the Company financed its book debt ledger with RBSIF and had granted a fixed charge over book debts and a floating charge over all other assets which was created on 20 November 2007 and registered on 21 November 2007. As detailed at 2.5, collections to date equate to £208,745.81. It is anticipated that RBSIF will suffer a shortfall in this instance once collections have been completed.

5.2 Preferential Claims

With effect from 15 September 2003 preferential status has been abolished for debts owing to HM Revenue and Customs. Such debts rank alongside other unsecured non-preferential creditors' claims. The claims which remain preferential are those of employees in respect of wages (up to £800 per employee) and holiday pay. A number of redundancies were made by the Company prior to the administration due to economic reasons since the Company could not meet wages payments. The remaining employees were made redundant immediately on the date of administration. The administrators retained the credit controller for a short period to assist in debtor collections. Accordingly a preferential claim is expected from the Redundancy Payments Office, although no claim has yet been received. It is uncertain whether there will be sufficient funds to pay a dividend to the preferential creditors of the Company in this case. The level and timing of any distribution is subject to discharging the costs of Administration.

5.3 Unsecured Non Preferential Claims

All unsecured non-preferential claims will be subject to agreement by a subsequently appointed Liquidator in due course, should liquidation be the appropriate exit route from the administration process. It is unlikely that there will be sufficient funds to enable a distribution to be made to the unsecured non preferential creditors in this instance.

- 5.4 The Joint Administrators consider that the third objective of administration will be achieved in this case, namely realising property in order to make a distribution to one or more secured or preferential creditors.

6 ENDING THE ADMINISTRATION

- 6.1 It is unlikely that a request will be submitted to creditors for an extension of time to the current 12 month duration of the administration. If required, a request for an extension of time will be requested from the secured and preferential creditors in due course. The exit route from administration is likely to be by way of dissolution, as there is no prospect of a return to unsecured creditors.

- 6.2 The Joint Administrators will be discharged from liability immediately upon their appointment as Administrators ceasing to have effect.

7 NEXT REPORT

- 7.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

For and on behalf of
DEXTER PAINTS LIMITED
(IN ADMINISTRATION)



A POXON
JOINT ADMINISTRATOR
14 May 2009

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM
24 OCTOBER 2008 TO 23 APRIL 2009**

	Notes	Estimated To Realise £	£
RECEIPTS			
Book Debts Subject to Fixed Charge	1	204,000	214,898.78
Goodwill		35,000	25,000.00
Interest		Nil	39.19
Work in Progress		5,000	5,000.00
Rates Refund		Nil	1,108.33
Stock, Fixtures, Fittings, Plant and Machinery		19,500	16,999.98
Motor Vehicles	2	15,000	11,000.00
Administrators Trading Sales		Nil	732.00
Residual Stock	3	Nil	1,350.00
Sundry Refunds		Nil	873.75
			<u>277,002.03</u>
PAYMENTS			
Solicitors' fees and disbursements			2,500.00
Secured Creditor – The Royal Bank of Scotland Plc			25,000.00
Secured Creditor – Royal Bank of Scotland Invoice Finance Limited			208,745.81
Administrators' Remuneration			10,000.00
Other professional fees			246.50
Bank Interest and Charges			60.00
Wages and Salaries			4,111.64
VAT Control Account			1,790.02
			<u>252,453.97</u>
BALANCE IN HAND	4		<u>24,548.06</u>

Notes to the Receipts and Payments Account

1. Book Debts

Of the £214,898.78 that has been collected, £208,745.81 has been paid directly to RBSIF. The administrators are currently holding debtor collections in the sum of £6,152.97.

2 Motor Vehicles

Our agents are holding £6,000 of the consideration received in respect of the motor vehicles.

3. Residual Stock

Our agents are holding £1,350 of the consideration received in respect of the residual stock.

4 Balance in Hand

The actual balance in hand after taking the above into consideration is £17,198.06

**SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD
FROM 24 OCTOBER 2008 TO 23 APRIL 2009**

	Director		Senior Manager		Manager 1		Manager 2		Administrator 2		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	-	-	-	-	14	377.00	-	-	18	306.00	7	73.50	39	756.50	193.97
Receipts & Payments	-	-	-	-	-	-	-	-	15	245.00	-	-	15	245.00	163.33
Insurance	-	-	-	-	-	-	-	-	27	415.00	-	-	27	415.00	153.70
Assets	46	1,679.00	49	1,568.00	-	-	-	-	437	6,861.00	333	3,170.50	865	13,278.50	153.51
Liabilities	-	-	2	63.00	-	-	-	-	334	5,330.00	121	1,200.50	457	6,593.50	144.28
Landlords	-	-	2	63.00	-	-	-	-	15	225.00	-	-	17	288.00	169.41
Trading	5	182.50	-	-	-	-	-	-	-	-	3	28.50	8	211.00	263.75
Debtenture Holder	-	-	10	325.50	-	-	-	-	-	-	-	-	10	325.50	325.50
General Administration	14	511.00	-	-	2	53.00	2	46.00	-	-	5	47.50	23	657.50	285.87
Appointment	36	1,314.00	6	189.00	-	-	-	-	19	285.00	21	204.50	82	1,992.50	242.99
Post Appointment Creds Mtngs	15	547.50	15	472.50	-	-	-	-	143	2,145.00	40	380.00	213	3,545.00	166.43
Investigations	10	395.00	-	-	-	-	-	-	-	-	-	-	10	395.00	395.00
Total	126	4,629.00	84	2,681.00	16	430.00	2	46.00	1,008	15,812.00	530	5,105.00	1,766	28,703.00	

Average Hourly Rate (£)

367.38	319.17	268.75	230.00	156.87	96.32	162.53
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All Units are 6 minutes

ADDITIONAL INFORMATION IN RELATION TO ADMINISTRATORS' FEES AND DISBURSEMENTS PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9

The following information relating to the policy of Leonard Curtis is considered to be relevant to creditors:

Staff Allocation, Support Staff and the Use of Subcontractors

We take an objective and practical approach to each assignment which includes active partner involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case.

Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is charged.

With effect from 1 January 2009 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

Partner	£395	Administrator 2	£170
Senior Manager	£350	Administrator 3	£150
Manager 1	£2858	Administrator 4	£105
Manager 2	£245	Support	£0
Administrator 1	£195		

We have not utilised the services of any sub-contractors in this case.

Professional Advisors

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

On this case we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
SHM Smith Hodgkinson (valuation and disposal)	Hourly rate and disbursements
Cobbetts	Hourly rate and disbursements

Disbursements

Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses, including car mileage at 40p a mile, incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage. Category 1 disbursements incurred on this case are detailed in Appendix A.

Where we propose to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, documents storage or communication facilities provided by us) they must be disclosed and be authorised by those responsible for approving the administrator's remuneration. Such expenditure is referred to as a "category 2 disbursement". The following items of expenditure are ordinarily recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£62.90 per box

No category 2 disbursements have been drawn on this case to date.