

The Insolvency Act 1986

Administrator's progress report**2.24B**

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

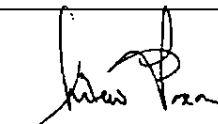
(a) Insert full name(s)
and address(es) of
administrator(s)

I/We (a) A Poxon & J M Titley of Leonard Curtis, DTE House,
Hollins Mount, Bury BL9 8AT

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

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

Signed



Joint / Administrator(s)

Dated

20 November 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: KL/20	Tel 0161 767 1250
DX Number	DX Exchange

Companies House receipt date barcode

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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24/11/2009

31

COMPANIES HOUSE

TUESDAY



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**DEXTER PAINTS LIMITED
(IN ADMINISTRATION)**

**Registered Number: 00388737
High Court of Justice, Manchester District Registry
Court Reference: 3119 of 2008**

**Joint Administrators' Progress Report
for the period 24 October 2008 to 23 October 2009**

20 November 2009



COMPANIES HOUSE

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

DEXTER PAINTS LIMITED– IN ADMINISTRATION

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DEXTER PAINTS LIMITED- IN ADMINISTRATION

**STRICTLY PRIVATE AND CONFIDENTIAL
NOT FOR PUBLICATION**

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

1 STATUTORY INFORMATION

- 1.1 John Titley and I were appointed Joint Administrators of Dexter Paints Limited ("the Company") in the jurisdiction of the High Court of Justice, Manchester District Registry, number 3119 of 2008 on 24 October 2008. The administration application was made by the directors.
- 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 was Albert Works, Trafalgar Street, Burnley, Lancs, BB11 1RE. The business traded under its registered name.
- 1.4 The Company's registered office address at the date of the appointment of administrators was Dexter House, Trafalgar Street, Burnley, Lancs, BB11 1RE. This was subsequently changed to the administrators' office at DTE House, Hollins Mount, Bury, Lancashire BL9 8AT on 27 October 2008. The Company's 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 twelve month period from 24 October 2008 to 23 October 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 two 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.

DEXTER PAINTS LIMITED- IN ADMINISTRATION

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 October 2009 £51,166.64 has been paid by the purchasers. A sum of £8,333.36 remains outstanding, which we are pursuing.

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 total £11,000.

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. It was estimated that £204,000 would be recovered. 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, £6,355.31 of debtor monies have been paid to the administrators directly. This will be paid over to RBSIF in due course.

2.6 Rates, Insurance and Sundry Refunds

A business rates refund in the sum of £1,567.46 was received during the period 24 October 2008 and 23 October 2009. In addition other sundry refunds in the sum of £3,108.62 and an insurance refund in the sum of £3,864.02 were received in the same period.

3 ASSETS STILL TO BE REALISED

- 3.1 The only outstanding items are the remaining deferred consideration balances as detailed at 2.2 and collection of the remaining debtor amounts as detailed at 2.5.

4 JOINT ADMINISTRATORS' REMUNERATION

- 4.1 The Joint Administrators' time costs at 23 October 2009 are £33,707.50. This represents 209 hours at an average rate of £161.28 per hour. Attached at Appendix B is a time analysis which provides details of the activity costs incurred by staff grade during this period.
- 4.2 To date remuneration of £20,000 has been drawn on account. A sum of £3,899.50 was incurred in the period prior to our appointment which the creditors are not required to approve. No fees have been drawn at this time.
- 4.3 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

The third purpose of administration has been achieved in this instance, this being to realise property in order to make a distribution to secured or preferential creditors. In this instance RBSIF hold a debenture over the book debts of the company. As detailed in paragraph 2.4, £208,745.81 of book debts have been realised and paid over to RBSIF directly. It is anticipated however that RBSIF will suffer a shortfall in this instance once collections have been completed.

In addition the Company also granted a debenture to The National Westminster Bank Plc ("Nat West"). At the date of administration Nat West 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 property loan has been transferred over to Dexter Paints Holding Limited and that Nat West is likely to be repaid in full in that regard. £26,666.64 has been received to date in respect of Goodwill and fixed charge realisations of which £25,000 has been paid across to Nat West. The balance will be paid to Nat West on receipt of the final sales consideration.

5.2 Preferential creditors

There are insufficient floating charge realisations to date to allow payment of the preferential creditor claims, after discharging the administration costs.

5.3 Prescribed Part for Unsecured Creditors

The administrators are required by law, subject to certain rules, to set aside a proportion of the funds which would normally be paid to the floating charge holder under the terms of its security, for the benefit of unsecured creditors. This is known as the "Prescribed Part" where the charge is created after 15 September 2003. In this instance, it is unlikely that there will be any funds available after discharging the professional costs of the administration and the preferential creditor claims. As a consequence there will be no requirement to calculate a prescribed part.

6 ENDING THE ADMINISTRATION

- 6.1 A request was submitted to Companies House for an extension of time to the 12 month duration of the administration on 15 October 2009. Attached at Appendix D is Form 2.31B, Notice of extension of period of administration. The extension was made with the consent of the Company's creditors approved on 15 October 2009. The administration has been extended to 23 April 2010.

DEXTER PAINTS LIMITED- IN ADMINISTRATION

- 6.2 The exit route from administration is likely to be by way of dissolution as 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.
- 6.3 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



A POXON
JOINT ADMINISTRATOR
20 November 2009

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

	Estimated To Realise	Received to date
	£	£
RECEIPTS		
Book Debts Subject to Fixed Charge	204,000.00	215,101.12
Goodwill	35,000.00	26,666.64
Interest	Nil	39.19
Work in Progress	5,000.00	5,000.00
Rates Refund	Nil	1,567.46
Stock, Fixtures, Fittings, Plant and Machinery	19,500.00	19,500.00
Motor Vehicles	15,000.00	11,000.00
Administrators Trading Sales	Nil	732.00
Residual Stock	Nil	1,351.06
Sundry Refunds	Nil	3,108.63
Insurance Refund	Nil	3,864.02
	<u>278,500.00</u>	<u>287,930.12</u>
PAYMENTS		
Solicitors' fees and disbursements		5,055.00
Administrators' Remuneration		20,000.00
Other professional fees		246.50
Bank Interest and Charges		60.00
Wages and Salaries		4,111.64
Administrators' Disbursements		236.37
Insurance		531.28
Agents Fees & Expenses		4,307.00
		<u>(34,547.79)</u>
DISTRIBUTIONS		
Secured Creditor – The Royal Bank of Scotland Plc		(25,000.00)
Secured Creditor – Royal Bank of Scotland Invoice Finance Limited		(208,745.81)
BALANCE IN HAND		<u>19,636.52</u>

DEXTER PAINTS LIMITED- IN ADMINISTRATION

APPENDIX B

JOINT ADMINISTRATORS' TIME COSTS TO 23 OCTOBER 2009

	Director		Senior Manager		Manager 1		Manager 2		Administrator 1		Administrator 2		Administrator 3		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	3	116.50	2	70.00	14	377.00	-	-	5	97.50	38	646.00	-	-	61	640.50	123	1,949.50	158.50
Receipts & Payments	-	-	-	-	-	-	-	-	-	-	51	857.00	-	-	24	252.00	75	1,109.00	147.87
Insurance	-	-	-	-	-	-	-	-	-	-	27	415.00	-	-	-	-	27	415.00	153.70
Assets	46	1,679.00	49	1,568.00	-	-	-	-	-	-	523	8,323.00	-	-	333	3,170.50	951	14,740.50	155.00
Liabilities	-	-	2	63.00	-	-	-	-	-	-	379	6,095.00	5	75.00	147	1,473.50	533	7,706.50	144.59
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	-	-	-	-	5	97.50	-	-	-	-	-	-	15	423.00	282.00
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 Credits Mings	15	547.50	18	577.50	-	-	-	-	-	-	153	2,315.00	-	-	40	380.00	226	3,820.00	169.03
Investigations	10	395.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	395.00	395.00
Total	129	4,747.50	89	2,856.00	16	430.00	2	46.00	10	195.00	1,205	19,161.00	5	75.00	634	6,197.00	2,090	33,707.50	

Average Hourly Rate (£)

368.02	320.90	268.75	230.00	195.00	159.01	150.00	97.74	161.28
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All Units are 6 minutes

Joint Administrators' Progress Report

20 November 2009

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	£285	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 advice)	Hourly rate and disbursements
Cobbetts (Legal advice)	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.

FORM 2.31B, NOTICE OF EXTENSION OF PERIOD OF ADMINISTRATION

The Insolvency Act 1986

Notice of extension of period of administration**2.31B**

Name of Company

DEXTER PAINTS LIMITED

Company number

00388737

In the High Court of Justice
Chancery Division
Manchester District Registry

Court case number

3119 of 2008

- (a) Insert name(s) and address(es) of administrator(s) I/We (a) A Poxon & J M Tittley of
Leonard Curtis, DTE House, Hollins Mount, Bury BL9 8AT
- (b) Insert name and address of the registered office of company having been appointed administrator(s) of (b) DEXTER PAINTS LIMITED,
DTE House, Hollins Mount,
Bury BL9 8AT ("the company")
- (c) Insert date of appointment on (c) 24 October 2008 by (d) The Directors
(d) Insert name of appointor / applicant

*Delete as applicable hereby give notice that the administration has been extended:

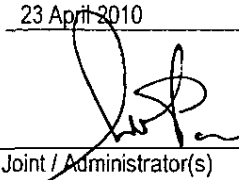
* ~~by order of the court~~

* with the consent of the company's creditors

(e) Insert date

until (e) 23 April 2010

Signed


Joint / Administrator(s)

Dated

15 October 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

Tel 0161 767 1250

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DX 33050 Cardiff