Rule 2 47

Form 2 24B(CH)

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company	Company number
PATON BROWN LIMITED	02281036

In the HCJ Manchester District Registry [full name of court]	Court case number 2640 of 2010

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

I/We (a) J M Titley & A Poxon of Leonard Curtis, Hollins Mount, Hollins Lane, Lancashire BL9 8DG

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

(b) Insert dates

from	to
(b) 24 November 2011	(b) 20 April 2012

Signed _____
Joint / Administrator(s)

Dated 20 April 2012

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	
Hollins Mount, Hollins Lane, Lancashire BL9 8DG	
Ref AJM/19	Tel 0161 767 1250
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at Companies own Way, Cardiff, CF14 3UZ DX 33050 Cardiff

SATURDAY

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A07 21/04/2012 #355

COMPANIES HOUSE

ADMR224B 12-10-10

LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

PATON BROWN LIMITED
(IN ADMINISTRATION)

Registered Number. 02281036
Court Ref: 2640 of 2010
High Court of Justice Manchester District Registry

Joint Administrators' Final Progress Report in accordance with Rules 2.47 and 2.110 of the Insolvency Rules 1986

Report period
24 November 2011 to 20 April 2012

20 April 2012

Leonard Curtis
Hollins Mount, Hollins Lane, Bury, Lancashire BL9 8DG
Tel 0161 767 1250 Fax 0161 767 1240
recovery@leonardcurtis co uk
Ref K/19/AJM/NP512R/1010

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APPENDICES

A Summary of Joint Administrators' Proposals

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E Form 2 35B – Notice of Move from Administration to Dissolution

STRICTLY PRIVATE AND CONFIDENTIAL
NOT FOR PUBLICATION

TO. THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL MEMBERS

1 INTRODUCTION

1 1 This report has been produced in accordance with Rules 2 47 and 2 110 of the Insolvency Rules 1986 to provide creditors with an update on the progress of the Administration of Paton Brown Limited ("the Company") for the period from 24 November 2011 to 20 April 2012 This is the Joint Administrators' final progress report to creditors

1 2 The Administration of the Company is now for practical purposes complete Section 9 of this report deals with how the Joint Administrators' intend to bring the Administration to an end

1 3 Much of the information contained in this report encompasses the whole period of the Administration Please be aware, however, that where reference is made to "the period of this report", this specifically means 24 November 2011 to 20 April 2012, being the period since the end of the period covered by the last progress report

2 STATUTORY INFORMATION

2 1 J M Titley and A Poxon were appointed as Joint Administrators of Paton Brown Limited ("the Company") in the jurisdiction of High Court of Jutice Manchester District Registry, number 2640 of 2010 on 7 December 2010 The Administration appointment was made by the directors of the Company

2 2 The Administration is being handled by the Bury office of Leonard Curtis, which is situated at Hollins Mount, Hollins Lane, Bury, Lancashire, BL9 8DG

2 3 The principal trading address of the Company was Calico House, Printworks Lane, Levenshulme, Manchester, M19 3JP The business traded under its registered name

2 4 The registered office address of the Company at the date of the appointment of Administrators was Calico House, Printworks Lane, Levenshulme, Manchester, M19 3JP Following the appointment, this was changed to Hollins Mount, Hollins Lane, Bury, Lancashire, BL9 8DG The registered number of the Company is 02281036

2 5 For the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as amended), it should be noted that during the period in which the Administration Order is in force, any act or function required or authorised under any enactment to be done by the Administrator may be exercised by all or any of the persons holding that office

2 6 The Company's main centre of operations is based in the UK The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation

3 JOINT ADMINISTRATORS' PROPOSALS

3 1 Attached at Appendix A is a summary of the Joint Administrators' approved proposals for achieving one of the three statutory purposes of Administration

3 2 The proposals were deemed to be approved by the general body of creditors on 14 February 2011

3 3 The objective of the Administration has been to realise property in order to make a distribution to secured or preferential creditors

3 4 This objective has been achieved as the secured creditor Bibby Financial Services Limited ("Bibby") has been paid in full and Lloyds TSB Bank Plc ("Lloyds") has received £32k, under the terms of their security

4 PROGRESS OF THE ADMINISTRATION

4 1 Attached at Appendix B is the Joint Administrators' receipts and payments account for the period from 24 November 2011 to 20 April 2012

4 2 A further payment to Lloyds has been made in the period of this report, in relation to the licence fee totalling £8,441 70

Lloyds provided a loan secured against the Company's former trading premises and were owed in the region of £483k at the date of Administration The property was also subject to a second legal charge in favour of Mary Cooper, who is owed c£230k by the Company

Eddisons Commercial Limited ("Eddisons") were appointed as LPA receivers over the property Since the liability to the charge holders will exceed the proceeds from the disposal of the property, the Joint Administrators have no interest in this matter

4 3 A sum of £3,243 68 was received in the period of this report, in relation to the book debt ledger surplus from Bibby Furthermore, in the period of this report a further VAT refund in the sum of £1,320 23 in respect of the termination fees levied by Bibby has been received

5 ASSETS STILL TO BE REALISED

5 1 There are no other assets to be realised in this matter

6 INVESTIGATIONS

6 1 As previously reported, following their initial assessment, no detailed investigations were considered to be required by the Administrators Nothing further has been brought to the attention of the Administrators in the period of this report

7 JOINT ADMINISTRATORS' REMUNERATION

Pre-Administration Costs

7 1 On 17 February 2011, the secured creditors consented to the following pre-Administration costs and expenses being paid as an expense of the Administration

Charged by	Services provided	Total amount charged £
Leonard Curtis	Pre-appointment advice and Administration and negotiation of the sale of the business	1,560
Charles Taylor	Valuation of plant & machinery	2,000
Cerberus Recoveries	Analysis of the debtor ledger, advice for maximising realisations	3,000
TMG Corporate Finance PLC	Valuation of goodwill	2,000
Stripes Solicitors	Appointment documentation and sale agreement	3,040
TOTAL		11,600

These costs have now been paid Payments are detailed in the receipts and payments account attached at Appendix B

Joint Administrators' Remuneration

7 2 On 17 February 2011, the secured creditors agreed that the basis of the Joint Administrators' remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration

7 3 The Joint Administrators' time costs are summarised below

	Hours No	Rate / hr £	Total value of time £
Time previously reported	157 6	247 34	38,980 50
Time incurred in the period of this report	35 6	198 75	7,075 50
Total Administrators' time costs	**193 2**	**238 39**	**46,056 00**

7 4 The time charged by the Joint Administrators' for the period of this report amounts to £7,075 50 This represents 35 6 hours at an average rate of £198 75 per hour Attached at Appendix C is a time analysis which provides details of the activity costs incurred by staff grade during this period, along with a description of the work done by the Joint Administrators and their staff in respect of which the time has been charged

7 5 Administrators' fees drawn to date in respect of these time costs total £22,998 00 plus VAT

7 6 Final fees of £4,567 87 will be drawn shortly These have been included in the Receipts and Payments Account at Appendix B The balance of time costs incurred will be written off

Expenses of the Administration

7 7 The Joint Administrators have also incurred expenses during the period of this report These expenses are detailed in the table below, which also indicates whether these expenses have been paid from the case funds

Nature of expenses	By whom provided	Amount incurred this period £	Total amount to date £	Amount paid £	Amount unpaid £
Book debt collection fee	Postal Vote Solutions Ltd	-	26,906 64	26,906 64	-
Licence Fee	Lloyds TSB	8,441 70	32,235 61	32,235 61	-
Licence Fee	I Cooper	-	3,475 06	3,475 06	-
Licence Fee	DMK Properties	-	1,708 33	1,708 33	-
Employment Services	EK Employment Law	-	90 00	90 00	-
Bank Interest and Charges	Lloyds TSB	-	83 40	83 40	-
Statutory Advertising	Courts Advertising	-	75 60	75 60	-
Report Hosting	The Creditor Gateway	-	20 00	20 00	-
Insurance Costs	AUA Risk Services	285 32	285 32	285 32	-
IT Services	Pelstar Computing Ltd	-	75 00	75 00	-
Solicitors Expenses	Stripes Solicitors	-	40 00	40 00	-
Client identification checks	BTC	-	39 80	39 80	-
IP Bond	Insolvency Risk Services	-	135 00	135 00	-
Staff Mileage	Leonard Curtis Staff	-	23 84	23 84	-
Companies House searches	Companies House	3 00	10 00	10 00	-
TOTAL		8,730 02	65,203 60	65,203 60	-

7 8 Attached at Appendix D 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

7 9 Unsecured creditors whose debts amount to at least 5% of the total value of the unsecured claims, or any secured creditor, may request further information regarding remuneration or expenses (other than pre-Administration costs) by submitting their written requests before 13 May 2012

7 10 In addition, unsecured creditors whose debts amount to at least 10% of the total value of the unsecured claims, or any secured creditor, may apply to court, if they believe the remuneration charged or expenses incurred by the Joint Administrators to be excessive or the basis fixed for the Joint Administrators' remuneration to be inappropriate Any application should be made within 8 weeks of receipt of this report

8 OUTCOME FOR CREDITORS

8 1 Secured Creditors

Bibby Financial Services Limited

Bibby holds security in the form of a fixed and floating charge debenture over the Company's undertaking and assets created on 9 November 2010 and registered on 10 November 2010

At the date of Administration, the Company owed Bibby c£159k including fees, subject to interest and termination charges, pursuant to an invoice discounting agreement Bibby has been repaid in full and a surplus of £36,790 04 has now been received

Lloyds TSB Bank Plc

Lloyds holds security in the form of a mortgage with a fixed and floating charge over the Company's undertaking and assets created on 5 November 2008 and registered on 11 November 2008 Lloyds also holds security in the form of a fixed and floating debenture over the Company's undertaking and assets created on 22 July 2009 and registered on 25 July 2009

At the date of Administration, the Company owed Lloyds c£483k, subject to interest and charges Lloyds has received sums of £32,236 and £25,000 in relation to licence fee payments and under the terms of its fixed charge over the Company's goodwill respectively

Eddisons have advised that the liability to the charge holders will exceed the realisation in respect of the property and therefore no surplus will be available

Mary Cooper

Mary Cooper holds security in the form of a legal charge over the Company's premises created on 26 January 2010 and registered on 15 February 2010

At the date of Administration, the Company owed Mary Cooper c£230k, subject to interest and charges Eddisons have advised that the liability to the charge holders will exceed the realisation in respect of the property and therefore Mary Cooper will suffer a shortfall in this matter

8 2 Preferential Claims

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay Four employees were made redundant prior to the date of Administration, in early November 2010 Claims of £398 14 have been received in this regard, however there are insufficient funds to enable a distribution to preferential creditors in this instance

8 3 Prescribed Part

No prescribed part was set aside in this matter as there are insufficient funds to enable a distribution to the floating charge creditor in this instance

8 4 Unsecured Non-Preferential Claims

There are insufficient funds available to enable a distribution to unsecured creditors in this instance

9 EXTENSIONS TO THE ADMINISTRATION

9 1 The appointment of Administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment

9 2 In certain circumstances it becomes necessary to extend the Administrators' term of office

9 3 No extensions to the Administrators' term of office were required in this case

10 ENDING THE ADMINISTRATION

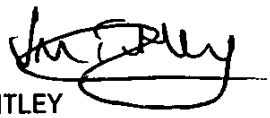
10 1 The Administration is now for practical purposes complete As there are insufficient funds available to allow payment of a dividend to unsecured creditors in this case, the appropriate exit route from the Administration is Dissolution of the Company Attached at Appendix E is Form 2 35B – Notice of Move from Administration to Dissolution On the registration of this Notice by Companies House, the Administration will be brought to an end and the appointment of the Joint Administrators will cease to have effect

10 2 At the end of the period of three months beginning with the date of registration of Form 2 35B, the Company will be dissolved

10 3 The Joint Administrators will be discharged from liability in respect of any action(s) of theirs as Administrators immediately upon their appointment ceasing to have effect

If you wish to discuss the issues raised in this report or require any additional information please contact this office

for and on behalf of
PATON BROWN LIMITED



J M TITLEY
JOINT ADMINISTRATOR

Licensed in the UK 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 who act as agents of the Company without personal liability

APPENDIX A

SUMMARY OF JOINT ADMINISTRATORS' PROPOSALS

1 The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration

2 If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company

3 If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors Voluntary Liquidation It is further proposed that J M Titley and/or A Poxon be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them NB Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved

4 In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved

5 The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company

6 The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors In these circumstances it is further proposed that J M Titley and/or A Poxon be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.

7 The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration

APPENDIX B

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM 24 NOVEMBER 2011 TO 20 APRIL 2012

	Estimated to realise £	Last period £	This period £	Cumulative £
RECEIPTS				
Book Debt Surplus	38,000 00	33,546 36	3,243 68	36,790 04
Goodwill	25,000 00	25,000 00	-	25,000 00
Land and Buildings	650,000 00	-	-	-
Tangible Assets	25,000 00	25,000 00	-	25,000 00
Licence Fee	-	37,418 60	-	37,418 60
Rates Refund	-	96 64	-	96 64
Vat on Termination Charges	-	1,798 64	1,320 23	3,118 87
Refunded Bank Charges	-	80 00	-	80 00
Secured Creditor Contribution	-	-	2,785 32	2,785 32
TOTAL	738,000 00	122,940 24	7,349 23	130,289 47
PAYMENTS				
Administrators Remuneration		17,438 00	4,000 00	21,438 00
Administrators Pre-Appointment Fee		1,560 00	-	1,560 00
Administrators' Final Fee		-	4,567 87	4,567 87
Agents Fees		5,000 00	-	5,000 00
Bank Interest and Charges		83 40	-	83 40
Book debt collection fee		26,906 64	-	26,906 64
Client identification checks		39 80	-	39 80
Companies House searches		7 00	3 00	10 00
Employment Services		90 00	-	90 00
Goodwill Valuation		2,000 00	-	2,000 00
Insurance Costs		-	285 32	285 32
IP Bond		25 00	110 00	135 00
IT Services		75 00	-	75 00
Licence Fee - Lloyds		23,793 91	8,441 70	32,235 61
Licence Fee - I Cooper		3,475 06	-	3,475 06
Licence Fee – DMK Properties		1,708 33	-	1,708 33
Report Hosting		20 00	20 00	40 00
Secured Creditor		25,000 00	-	25,000 00
Solicitors Fees and Expenses		3,040 00	-	3,040 00
Staff Mileage		10 00	13 84	23 84
Statutory Advertising		75 60	-	75 60
Valuation Fees		-	2,500 00	2,500 00
TOTAL		110,347 74	19,941 73	130,289 47
BALANCE IN HAND				**NIL**

APPENDIX B (continued)

BIBBY ACTUAL

	Estimated to realise £	Last period £	This period £	Cumulative £
RECEIPTS				
Book Debts	197,000 00	192,546 36	3,243 68	195,790 04
	197,000.00	192,546 36	3,243 68	195,790 04
PAYMENTS				
Bibby		159,000 00	-	159,000 00
Surplus to Administration		33,546 36	3,243 68	36,790 04
		192,546 36	3,243 68	195,790 04
BALANCE IN HAND		-	-	-

APPENDIX C

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD FROM 24 NOVEMBER 2011 TO 20 APRIL 2012

	Manager 1		Manager 2		Administrator 1		Administrator 4		Total		Average Hourly Rate
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	£
Statutory & Review	-	-	2	52 00	-	-	-	-	2	52 00	260 00
Receipts & Payments	-	-	-	-	55	1,235 00	2	24 00	57	1,259 00	220 88
Assets	-	-	-	-	95	2,085 00	-	-	95	2,085 00	219 47
Debenture Holder	-	-	-	-	10	230 00	-	-	10	230 00	230 00
General Administration	-	-	-	-	20	460 00	-	-	20	460 00	230 00
Post Appointment Creds Mtngs	20	600 00	-	-	45	945 00	107	1,444 50	172	2,989 50	173 81
Total	20	600 00	2	52 00	225	4,955 00	109	1,468 50	356	7,075 50	
Average Hourly Rate (£)		300 00		260 00		220 22		134 72		198 75	

All Units are 6 minutes

APPENDIX C (continued)

DESCRIPTION OF TIME SPENT BY CATEGORY

Statutory and Review

This involved undertaking regular reviews of the case file to ensure all matters were being progressed and statutory requirements were met

Receipts and Payments

Time has been attributed to the receiving and banking of funds and the payment of agents' invoices, and reviewing the receipts and payments schedule

Assets

Time has been spent liaising with the Purchaser to obtain updates on their attempts to purchase the property

Debenture Holder

Time has been incurred in reporting and liaising with the secured creditors

General Administration

This included engaging in general correspondence and dealing with queries relating to the case

Post Appointment Creditors' Meetings

Time was spent preparing and reviewing the final report, which was circulated to all known creditors

APPENDIX D

ADDITIONAL INFORMATION IN RELATION TO THE POLICY OF LEONARD CURTIS REGARDING FEES AND DISBURSEMENTS

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

Staff Allocation and Support Staff

We take an objective and practical approach to each assignment which includes active director 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 not charged

Where it has been agreed by resolution of the secured creditors, a creditors' committee or creditors generally, that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters arising in the appointment, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below

With effect from 1 January 2012 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis

	Standard	Complex
	£	£
Director	425	531
Senior Manager	385	481
Manager 1	330	412
Manager 2	285	356
Administrator 1	230	287
Administrator 2	210	262
Administrator 3	190	237
Administrator 4	135	168
Support	0	0

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holders or their staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements 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

Disbursements

a) Category 1 disbursements These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his or her staff Category 1 disbursements may be drawn without prior approval

b) Category 2 disbursements These are costs that are directly referable to the appointment in question but not to a payment to an independent third party They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage In the event of charging for category 2 disbursements the following items of expenditure are 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)	£66 09 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration

APPENDIX E

FORM 2 35B – NOTICE OF MOVE FROM ADMINISTRATION TO DISSOLUTION

Rule 2 118

Form 2 35B

The Insolvency Act 1986

Notice of move from administration to dissolution

2.35B

Name of Company	Company number
PATON BROWN LIMITED	02281036

In the	Court case number
HCJ Manchester District Registry [full name of court]	2640 of 2010

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

I / We (a) J M Titley & A Poxon of Leonard Curtis

Hollins Mount, Hollins Lane, Lancashire BL9 8DG

(b) Insert name and address of registered office of company

having been appointed administrator(s) of (b) PATON BROWN LIMITED

Hollins Mount, Hollins Lane, Bury, Lancashire BL9 8DG

(c) Insert date of appointment

(d) Insert name of applicant / appointor

on (c) 7 December 2010 by (d) the Company Directors

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

Joint / Administrator(s)

Dated 20 April 2012

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	
Hollins Mount, Hollins Lane, Lancashire BL9 8DG	
19/AJM	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**