

The Insolvency Act 1986

Notice of move from administration to dissolution

2.35B

| | |
|---|---------------------------------------|
| Name of Company Brabco (2006) Limited | Company Number 04795760 |
| In the High Court of Justice Chancery Division Companies Court (full name of court) | Court case number 1054 of 2010 |

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

We (a) Andrew Ross of PricewaterhouseCoopers, Benson House, 33 Wellington Street, Leeds LS1 4JP and Ian David Green of 7 More London Riverside, London, SE1 2RT

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


having been appointed administrators of (b) Brabco (2006) Limited
on (c) 4 February 2010 by (d) the directors

(c) Insert date of
appointment

(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

We attach a copy of the final progress report.

Signed 
Joint Administrator

Dated 18.12.14



A38

A3N8V734

22/12/2014

#101

COMPANIES HOUSE



Brabco (2006) Limited – in Administration

**High Court of Justice, Chancery Division,
Companies Court**

Case No. 1054 of 2010

Joint Administrators' final progress report

PricewaterhouseCoopers LLP

Benson House

33 Wellington Street

Leeds

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Abbreviations

“the Company” – Brabco (2006) Limited

“the Administrators” or “we” – Ian David Green and Andrew Ross

“the Bank” - Anglo-Irish Bank Corporation Limited

“NAMA” - National Asset Management Agency

2. Statutory information

Introduction

We previously reported to all creditors on 30 June 2014 to provide an update on the progress of the Administration, including confirmation of an extension to the Administration for a period of 12 months to 4 August 2015.

Following a sale of the Company's property we are now pleased to provide our final progress report on the Administration of the Company pursuant to Rules 2.47 and 2.110 of IR86. Copies of all previous reports to creditors including our proposals can be requested from Emma Lister on 0113 289 4344.

We are required to provide certain statutory information pursuant to Rule 2.47(1)(a) to (d) IR86, which is shown in Section 2 to this report. We are also required to provide a summary of our proposals, which is shown at Section 3.

Background

In March 2006, the Holding Company acquired 100% of the Company's share capital, funded through borrowings from the Bank. These borrowings were guaranteed by the Company.

The Company's only asset was a 2.3 acre site in Leeds City Centre. Planning permission had been granted for the construction of 169 residential units, 24,000 sq. ft. of office space and 255 car parking spaces. All the residential units had been sold prior to the Holding Company's acquisition and deposits of £964,000 had been received, all of which were fully utilised in meeting project costs.

Construction was due to commence in April 2007 with an estimated build period of 2 years but as a result of increased build costs and falling property values the scheme was considered to no longer be viable. As a result the Holding Company tried to seek alternative planning permission or a sale of the site, but this was unsuccessful.

Following a sharp decline in land value the building contractors, Liberty Property Investments Limited, issued proceedings against the Company to return the sum of deposits together with accrued interest. The Company had insufficient funds to meet this demand and consequently the Bank appointed us as administrators on 4 February 2010.

Realisation of Assets

On appointment we were aware that the planning permission granted for the land was due to expire on 31 March 2009. We conducted a cost benefit analysis of extending this but it was considered there was no benefit in extending it so we left it to expire.

Following approval from the Bank we appointed Jones Lang LaSalle to act as agents to the Company and conduct an independent valuation of the land.

In February 2013 we became aware that the title of the land had a number of Unilateral Notices and Agreements for Sale registered against it which reduced the saleability of the site. Despite this we received a number of conditional offers.

Harrison Developments submitted the best and most favourable offer of £1m subject to a removal of the Fastfix charges. Together with our lawyers, Addleshaw Goddard, we managed to negotiate this point resulting in Harrison dropping their conditionality. However, as part of their due diligence process Harrison identified a covenant favourable to Leeds City Council and Harrison's were unable to progress without this issue being addressed.

2. Statutory information

Following further negotiations with Harrison and Leeds City Council, Harrison agreed to a £10,000 payment to facilitate removal of the covenant and in light of this the purchase price was reduced to £990,000. However, due to the uncertainty over whether VAT could potentially be charged on the sale in the future, should HMRC establish they had actually been registered, Harrisons decreased their offer to £900,000.

The sale of this property has now been completed and consideration of £900,000 has been received in respect of this.

Receipts and payments account

The final receipts and payments in the Administration for the period from appointment to 16 December 2014 is set out in Section 3

Outcome for creditors

The Bank has fixed and floating charges over all assets of the Company to secure its lending. At the date of our appointment, the Bank was owed £3,248,000, upon which interest and charges continued to accrue.

From 1 November 2010, the Bank's beneficial interest in the Facility was transferred to NAMA.

Following the sale of assets of the Company and after meeting the costs of the Administration and realisation, NAMA has suffered a shortfall under its security.

There were no preferential creditors.

There were insufficient funds to make any distribution to unsecured creditors.

Administrators' remuneration

The Administrators' remuneration is approved by the secured creditor, NAMA. We have incurred £150,986.30 in respect of the Administration representing 552 hours at an average hourly rate of £361. We have drawn £77,088.06 against this and no further fees will be drawn. An analysis of the time incurred for the period 1 July 2014 to 16 December 2014 is set out in Section 6 of this report.

An explanatory note giving creditors a statement of their rights in relation to the Administrators' remuneration and expenses, and their rights to request further information, can be found online at:

<http://www.icaew.com/en/technical/insolvency/creditors-guides>

A copy may also be obtained free of charge by telephoning Emma Lister on 0113 289 4344.

Exit route from Administration

In accordance with our proposals approved by creditors, a Notice of move to dissolution as at 17 December 2014 was sent to the Registrar of Companies. When this notice is registered the Administration will come to an end. Three months after registration, the Company will be deemed dissolved.

2. Statutory information

Discharge

In accordance with a resolution approved by the secured creditors, we shall be discharged from liability in respect of any action of ours as Administrators on 22 March 2015.

Should you have any queries in respect of this report or the Administration please contact my colleague Emma Lister on 0113 289 4344



Andrew Ross
Joint Administrator
Brabco (2006) Limited

Andrew Ross and Ian David Green have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents, without personal liability. Both are licensed to act in the United Kingdom as insolvency practitioners by the Institute of Chartered Accountants in England and Wales

The joint administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the Administration.

2. Statutory information

2. Statutory information

| | |
|--|--|
| Court details for the Administration: | High Court of Justice, Chancery Division, Companies Court Case No 1054 of 2010 |
| Full name: | Brabco (2006) Limited |
| Trading name: | Brabco (2006) Limited |
| Registered number: | 04795760 |
| Registered address: | Benson House, Wellington Street, Leeds, LS1 4JP |
| Company directors: | Barry Harte, Terence Noone |
| Company secretary: | Barry Harte |
| Shareholdings held by the directors and secretary: | None |
| Date of the Administration appointment: | 4 February 2010 |
| Administrators' names and addresses: | Andrew Ross and Ian David Green both of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP |
| Changes in office holder: | Nicholas Edward Reed ceased to act as administrator and was replaced by Andrew Ross on 7 October 2013. |
| Details of any extensions to the initial period of appointment: | Following the creditors consent to extend, the Court granted an order extending the Administration by one year to 4 August 2012. A third extension was then granted by the Court to 4 August 2013. A fourth extension was granted by the Court to 4 August 2014 and a final extension was granted by the Court to 4 August 2015 |
| Appointor's / applicant's name and address: | Anglo Irish Bank Corporation Limited, Stephen Court, 18/21 St Stephen's Green, Dublin 2, Ireland |
| Objective being pursued by the Administrators: | (c) Realising property in order to make a distribution to one or more secured creditors. |
| Division of the Administrators' responsibilities: | In relation to paragraph 100(2) Sch B1 IA86, Any act required or authorised under any enactment to be done by the joint administrators may be done by all or any one or more for the time being holding that office. |
| Proposed end of the Administration: | Dissolution under paragraph 84(1) IA86 |
| Estimated dividend for unsecured creditors: | Nil |
| Estimated values of the prescribed part and the company's net property: | Nil |
| Whether and why the Administrators intend to apply to court under Section 176A(5) IA86: | No All of the assets of the Company are subject to a fixed charge |
| The European Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000 of 29 May 2000): | The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings. |

3. Summary of our proposals

The Administrators make the following proposals for achieving the purpose of administration

- i) The Administrators will continue to manage and finance the Company's business, affairs and property from asset realisations or in such manner as they consider expedient in order to realise assets and make distributions to the Company's secured creditors
- ii) The Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 1985 or IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals
- iii) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator and that the costs of so doing be met as a cost of the Administration as part of the Administrators' remuneration (where the Administrators think there will be sufficient funds for a distribution to unsecured creditors other than by virtue of the prescribed part) or out of the prescribed part as costs associated with the prescribed part (where the Administrators think that funds will become available to the unsecured creditors by virtue of the prescribed part but not otherwise).
- iv) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch.B1 IA86.
- v) If the Administrators conclude that the cost of making a distribution out of the prescribed part would be disproportionate to the benefits, the Administrators will make an application to the court under S176A(5) IA 86 for an order not to distribute the prescribed part to unsecured creditors.
- vi) If the Administrators consider it advantageous to extend the Administration beyond the statutory duration of one year, the Administrators shall either apply to the court or seek consent from the appropriate classes of creditors for the appropriate extension
- vii) The Administrators at their discretion may use any or a combination of "exit route" strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue the following options as being the most cost effective and practical in the present circumstances:
 - (a) Once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators will file a notice under Paragraph 84(1) Sch B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later, or
 - (b) Once asset disposals are complete, the Administrators will place the Company into creditors' voluntary liquidation. In these circumstances, it is proposed that Nick Edward Reed and Ian David Green be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them. In accordance with Paragraph 83(7) Sch.B1 IA86 and Rule 2.117(3) IR86, creditors may nominate alternative liquidators, provided that the nomination is made after the receipt of these proposals and before they are approved.
- viii) The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch.B1 IA86 in respect of any action of theirs as Administrators at a time resolved by the secured creditors, or if a distribution has been or in any case at a time determined by the court
- ix) It is proposed that the Administrators' fees be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff

3. Summary of our proposals

according to their firm's usual charge out rates for work of this nature and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No.9) be charged in accordance with the Administrators' firm's policy. As the Administrators have stated that they think that the Company has insufficient property to enable a distribution to be made to non-preferential unsecured creditors, it will be for the secured creditor to determine the basis and level of the Administrators fees and expenses.

- x) The Administrators propose that the Company's books and records be destroyed one year after dissolution

4. Receipts and payments

Brabco (2006) Limited - in administration

Summary of financial information from appointment to 16 December 2014

| | 4 February 2010 to 30 June 2014 | 30 June to 16 December 2014 | Total |
|-------------------------------|------------------------------------|--------------------------------|-------------------|
| | £ | £ | £ |
| Receipts | | | |
| Sale of property | - | 900,000 00 | 900,000 00 |
| Secured creditor funding | 31,557 85 | - | 31,557 85 |
| Gross interest received | - | 155 56 | 155 56 |
| Insurance refund | - | 79 50 | 79 50 |
| Total | 31,557.85 | 900,235.06 | 931,792.91 |
| Payments | | | |
| Agents fees | - | 16,200 00 | 16,200 00 |
| Agents disbursements | - | 3,134 26 | 3,134 26 |
| Legal fees | 660 00 | 71,413 42 | 72,073 42 |
| Administrators' fees | 23,240 05 | 53,848 01 | 77,088 06 |
| Administrators' disbursements | 3,058 16 | 1,641 30 | 4,699 46 |
| Storage costs | - | 24 04 | 24 04 |
| Insurance | 530 00 | - | 530 00 |
| Total | 27,488.21 | 146,261.03 | 173,749.24 |
| VAT account* | - | - | - |
| Distribution to bank | - | 758,043.67 | 758,043.67 |
| Cash at bank | 4,069 64 | (4,069 64) | - |

*There is no option to tax on the property therefore VAT is not recoverable on any expenses incurred in the Administration

5. Statement of expenses

Statement of expenses incurred

Expenses statement for the period 1 July 2014 to 16 December 2014

| | Total Expenses incurred brought forward from 1 July 2014 | Total expenses paid to 8 December 2014 | Expenses outstanding at 8 December 2014 | Expenses incurred in this period |
|-------------------------------|--|---|--|-------------------------------------|
| Agents fees | - | 16,200 00 | - | 16,200 00 |
| Agents disbursements | - | 3,134 26 | - | 3,134 26 |
| Legal fees | 51,125.20 | 72,073.42 | - | 71,413 42 |
| Administrators' fees | 59,240 05 | 77,088 06 | - | 53,848 01 |
| Administrators' disbursements | 3,873 00 | 4,699.46 | - | 1,641 30 |
| Storage costs | - | 24 04 | - | 24.04 |
| Insurance | 530 00 | 530 00 | - | - |
| Total | 114,768.25 | 173,749.24 | - | 146,261.03 |

6. Summary of the Administrators time costs



Brabco (2006) Limited

Analysis of final time costs for the period from 1 July 2014 to 16 December 2014

| Aspect of assignment | Partner | Director | Senior Manager | Manager | Senior Associate | Associate | Secretarial | Total hours | Time cost £ | Average hourly rate £ |
|--|------------|------------|----------------|-------------|------------------|------------|-------------|---------------|-------------------|-----------------------|
| 1 Strategy & Planning | - | - | 0.15 | 0.10 | - | - | 0.20 | 0.45 | 112.25 | 249.44 |
| 2 Administration | - | - | - | - | 0.75 | - | - | 0.75 | 135.00 | 180.00 |
| 3 Assets - Freehold property | - | 6.00 | 23.75 | 3.30 | 0.30 | - | - | 33.35 | 14,115.25 | 423.25 |
| 4 Accounting and treasury | 1.00 | - | 0.55 | 2.45 | 1.15 | 5.96 | 1.20 | 12.31 | 3,189.85 | 259.13 |
| 5 Reporting to appointor/committee | - | - | - | 10.60 | - | - | - | 10.60 | 3,498.00 | 330.00 |
| 6 Statutory and compliance | 1.50 | 1.25 | 0.20 | 14.35 | 6.60 | - | - | 23.90 | 8,014.00 | 335.31 |
| 7 Tax/VAT/Pensions | - | - | 2.50 | 1.10 | 0.35 | 0.80 | - | 4.75 | 2,059.50 | 433.58 |
| 8 Closure procedures | - | - | 1.20 | 1.40 | 0.10 | - | - | 2.70 | 978.00 | 362.22 |
| Total for the period from 1 July 2014 | 2.5 | 7.3 | 28.4 | 33.3 | 9.3 | 6.8 | 1.4 | 88.81 | 32,101.85 | 361.47 |
| Brought forward at 1 July 2014 | | | | | | | | 463.23 | 120,435.95 | |
| Total | | | | | | | | 552.04 | 152,537.80 | |

7. Administrators' time and disbursements policy

Hourly charge-out rates

| Grade | Hourly charge-out rates | |
|------------------|---------------------------------|----------------------------------|
| | Administrators' staff £/hour | Specialist departments £/hour |
| Partner | 575 | 1035 |
| Director | 480 | 1035 |
| Senior Manager | 415 | 826 |
| Manager | 330 | 520 |
| Senior Associate | 250 | 390 |
| Associate | 152 | 165 |
| Support staff | 82 | 120 |

Specialist departments within our firm (such as Tax, VAT, Property and Pensions) may charge a small number of hours if and when we require their expert advice. Such specialists' rates do vary but the figures above provide an indication of the maximum rate per hour.

All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Each grade of staff is allocated an hourly charge out rate which is reviewed from time to time. Work undertaken by cashiers, support and secretarial staff is charged for separately and is not included in the hourly rates charged by partners or other members of staff. Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time chargeable is three minutes (i.e. 0.5 units).

Summary of our time costs for the period 1 July 2014 to 16 December 2014

Strategy and planning

- Case progression meetings and updates, reviewing Administration strategy to ensure it is appropriate for the Company

Assets -Freehold land

- Marketing the property and undertaking negotiations with the potential purchasers
- Negotiating with the preferred purchaser of the VAT issue. Seeking advice on the alternative options and agreeing to proceed with the sale

Accounting and Treasury

- Monitoring receipts and payments into the bank accounts, maintaining accounting records and reconciling bank accounts
- Production of receipts and payments accounts

Reporting to appointee

- Reporting to and updating the secured creditor on the progress of the Administration
- Agreeing the claims and processing a distribution to the secured creditor

Statutory and compliance

- Filing of documents and notices at Companies House
- Drafting and circulating to all creditors our six monthly progress reports
- Liaising with the secured creditors regarding our fees and obtaining discharge from liability

7. Administrators' time and disbursements policy

- Sundry correspondence and phone calls with third parties

Tax & VAT

- Dealing with tax complexities arising from the sale of the property including assessing the VAT treatment on the sale of the property and confirming there was no option to tax
- Completing tax computations

Summary of our disbursements

| Category | Policy | Total |
|----------|--|-----------------|
| 1 | All disbursements not falling under Category 2 are recharged at cost | 12.13 |
| 2 | Photocopying - At 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying | - |
| 2 | Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc) | - |
| | Brought forward at 1 July 2014 | 4,663.93 |
| | Total | 4,699.46 |

Note: The total disbursements include an element of irrecoverable VAT

Professional advisors

The professional advisors used on this assignment are as follows

| Service provided | Name of firm / organisation | Reason selected | Basis of fees |
|----------------------------|-----------------------------|--------------------|--|
| Legal advice | Addleshaw Goddard | Industry knowledge | Time Costs |
| Property valuation | Savills | Industry knowledge | Fixed Fee |
| Property agents and others | Jones Lang LaSalle | Industry knowledge | 1 5% of net realisations, subject to minimum of £10,000 and maximum of £20,000 |

All third party professionals are required to submit time costs analyses and narrative in support of invoices rendered, in order for the Administrators to consider whether they are reasonable in the circumstances of the case.