

# Liquidator's Progress Report

Pursuant to Sections 92A, 104A and 192 of the  
Insolvency Act 1986

**S.192**

To the Registrar of Companies

Company Number

00910429

Name of Company

(a) Insert full  
name of company

(a) BRNE REALISATIONS LIMITED (FORMERLY BROWN AND NEWIRTH LIMITED)

Limited

(b) Insert full  
name(s)  
and  
address(es)

I / We (b) A Poxon and J M Tittley

of Leonard Curtis, Tower 12, 18/22 Bndge Street, Spinningfields, Manchester M3 3BZ

the liquidator(s) of the company attach a copy of my/our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 5 October 2012 to 4 October 2013

Signed

Date 4 December 2013

Presenter's  
name, address  
and reference (if  
any)

Leonard Curtis,  
Tower 12,  
18/22 Bndge Street,  
Spinningfields,  
Manchester  
M3 3BZ  
Ref M/20/RB/NB813K/115

THURSDAY



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05/12/2013

COMPANIES HOUSE

#30



**LEONARD CURTIS**  
BUSINESS RESCUE & RECOVERY

**BRNE REALISATIONS LIMITED (FORMERLY BROWN AND NEWIRTH  
LIMITED)**

**(In Creditors' Voluntary Liquidation)**

Registered Number: 00910429

**Joint Liquidators' first annual progress report  
prepared in accordance with s104A of the Insolvency Act 1986  
and Rule 4.49C of the Insolvency Rules 1986 (as amended)**

**04 December 2013**

Leonard Curtis  
Tower 12, 18/22 Bridge Street, Spinningfields  
Manchester M3 3BZ  
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Ref M/20/RB/NB813K/1010

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

## 1 INTRODUCTION

1.1 My colleague, J M Titley, and I were appointed as Joint Liquidators of the Company on 05 October 2012. Our appointment took effect upon the cessation of our appointment as Joint Administrators and the registration of Form 2.34B – Notice of Move from Administration to Creditors' Voluntary Liquidation at Companies House. No other nominations for the office of Liquidator were received. Both J M Titley and I are licensed in the UK by the Institute of Chartered Accountants in England and Wales. I can confirm that there has been no change in office-holder since the date of liquidation.

1.2 This report has been prepared in accordance with the requirements of Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986 (as amended) to provide members and creditors with a report on the progress of the liquidation.

1.3 The period covered by this report is the period of 12 months from appointment.

## 2 CONDUCT OF THE LIQUIDATION

2.1 The Company's registered office was changed from Elma House, Beaconsfield Close, Hatfield, Hertfordshire, AL10 8YG to Hollins Mount, Hollins Lane, Bury, Lancashire, BL9 8DG on 14 February 2012. The registered number is 00910429. The Company traded as Brown and Newirth Limited.

## 3 RECEIPTS AND PAYMENTS ACCOUNT

3.1 Attached at Appendix A is a summary of the Liquidators' receipts and payments for the period from 5 October 2012 to 4 October 2013, being twelve months from the date of appointment.

### 3.2 Balance from Administration

A sum of £65,843.13 was available to the Liquidators following the administration.

I can confirm that £65,834.13 has now been received and a further £9.00 is anticipated to be received shortly.

### 3.3 Inter-Company Debtor

Following investigations, company records detailed that a sum of £3,820,501 was due from a group company which is currently in liquidation.

I can advise that a first dividend payment in the sum of £7,641.00 has been received.

It is not anticipated that there will be any further realisations from this source.

### 3.4 Supplier Repayment

A sum of £674.26 has been received in relation to a supplier repayment.

3 5     **Bank Interest**

Bank Interest in the sum of £206 38 has been received

4        **OUTCOME FOR CREDITORS**

4 1     **Secured Creditors**

**Burdale Financial Limited ("Burdale")**

Burdale Financial Limited held a fixed and floating charge debenture created on 16 June 2006 and registered on 23 June 2006. Burdale provided funding against the debtor ledger of the Company.

I can confirm that prior to our appointment as Administrators Burdale Financial Limited were repaid in full by Chrysus Holdco Limited ("Chrysus"), who purchased the Company's debtor book.

**Michael Neville Lever ("Lever")**

Michael Neville Lever held a fixed and floating charge guarantee and debenture created on 13 March 2009 and registered on 21 March 2009.

Michael Neville Lever was repaid by Chrysus, prior to the administration. Furthermore the Former Joint Administrators received evidence of the assignment of the outstanding charge to Chrysus on 2 February 2012 who replaced Michael Neville Lever as a secured creditor.

**Moorgarth Property Investments Limited ("Moorgarth")**

Moorgarth held a fixed and floating charge guarantee and debenture created on 4 May 2011 and registered on 6 May 2011.

Moorgarth were repaid by Chrysus, prior to the administration. Furthermore the Former Joint Administrators received evidence of the assignment of the outstanding charge to Chrysus on 2 February 2012 who replaced Moorgarth as a secured creditor.

**Chrysus**

Chrysus holds security by way of a guarantee and debenture incorporating a fixed and floating charge over the Company assets which was created on 2 February 2012.

At the date of administration, Chrysus were owed an aggregate sum of £1,041,000.

The above security also secured connected company assets under cross-company guarantees.

Chrysus have received a sum of £300,000 from the realisation of fixed charge assets in the Administration. Chrysus have also received a sum of £260,000 from the realisation of floating charge assets in the Administration. It is anticipated that there will be insufficient funds to allow Chrysus to receive a further distribution under its floating charge.

4 2     **Preferential Creditors**

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay.

I can advise that all the employees were transferred to the purchasers upon completion of the sale of the business. However, a small number of employees were made redundant prior to our appointment. These employees had claims for wages and holiday pay.

In addition, a number of employees had claims in relation to money that had been taken from wages but not been paid over into the relevant pension schemes.

The relevant claims from employees have been forwarded to the Redundancy Payments Office. I can advise that a preferential claim in the sum of £7,204.05 has been received from the Redundancy Payments Office. In addition, the employees had residual preferential claims in the sum of £1,283.25.

I can advise that the Redundancy Payments Office was paid in full in the Administration and the residual preferential claims have been paid in full in the Liquidation.

#### **4.3 Prescribed Part**

The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, the administrator must make a *prescribed part* of the company's net property available to the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.

As Chrysus has received a distribution of £260,000 under its floating charge security, there is a requirement to calculate a prescribed part in this instance. I can advise that an amount of £68,750 has been set aside for the benefit of unsecured creditors.

#### **4.4 Unsecured Creditors**

There will be sufficient funds to enable a distribution to unsecured creditors via the prescribed part as detailed at 4.3 above.

If you have not already done so, please submit details of your claim, by completing and returning the proof of debt form attached at Appendix D to this office. Please include documentation to support your claim.

### **5 INVESTIGATIONS**

5.1 Following their appointment, the Liquidators considered the information acquired in the course of appraising and realising the business and assets of the Company, together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate.

5.2 That assessment did not identify any possible further realisations. In addition, the Liquidators concluded that no further investigations were required. If, however, any creditor is aware of any particular matters which they consider requires investigation, they should please send full details to this office at the address given at the front of this report.

5.3 Regardless of the above, the Liquidators have complied with their statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority.

## 6 LIQUIDATORS' REMUNERATION AND DISBURSEMENTS AND CREDITORS' RIGHTS

### Remuneration

6.1 Rule 4.127(5A) of the Insolvency Rules 1986 (as amended) states that where a company which is in administration moves into liquidation and the former Administrators become the Liquidators, the basis of the office holders' remuneration fixed in the Administration also applies in the subsequent Liquidation. Accordingly, the Liquidators' remuneration will be payable by reference to time properly given by the Liquidators and their staff in attending to matters arising in the liquidation.

6.2 The Liquidators' time costs are summarised below:

	Hours No.	Rate / hr £	Total value of time £
Time incurred	42.9	224.37	9,625.50
<b>Total Liquidators' time costs</b>	<b>42.9</b>	<b>224.37</b>	<b>9,625.50</b>

6.3 The time charged by the Joint Liquidators and their staff for the period from 5 October 2012 to 4 October 2013 amounts to £9,625.50. This represents 42.9 hours at an average rate of £224.37 per hour. Attached at Appendix B is a time analysis which provides details of the activity costs incurred by staff grade during this period.

6.4 No Liquidation fees have been drawn at the date of this report.

6.5 Please note that outstanding Administrators' fees, totalling £2,000.00, have been paid during the period.

### Category 1 disbursements and expenses

6.6 The Joint Liquidators have incurred category 1 disbursements and expenses since the date of their appointment. These expenses are detailed in the table below, which also indicates whether these expenses have yet been paid from case funds.

Nature of expenses	By whom provided	Total amount incurred to date £	Amount reimbursed £	Amount still to be reimbursed £
Software Licence	Pelstar Computing Limited	75.00	75.00	Nil
Statutory Advertising (CAT1)	Courts Advertising	153.00	153.00	Nil
Report Hosting (CAT1)	The Creditor Gateway	11.00	11.00	Nil
Companies House searches (CAT1)	Companies House	2.00	2.00	Nil
<b>Total</b>		<b>241.00</b>	<b>241.00</b>	<b>Nil</b>

6.7 Attached at Appendix C is additional information in relation to the firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade. During the liquidation no professional advisors and / or subcontractors have been used.

### Creditors' Rights

- 6.8 Any secured creditor, unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) or any unsecured creditor with the permission of the Court, may within 21 days of the receipt of this report make a request in writing to the Liquidators for further information about the remuneration or expenses incurred since the date of appointment
- 6.9 In addition to the above, any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) or any unsecured creditor with the permission of the Court, may within 8 weeks of receipt of this report make an application to Court on the grounds that the basis fixed for the Liquidators' remuneration is inappropriate, or the remuneration charged or the expenses incurred by the Liquidators since the date of appointment are excessive

### 7 NEXT REPORT

- 7.1 The Joint Liquidators are required to provide a progress report within two months of the end of the next anniversary of the Liquidation or earlier if the Liquidation has been finalised

If you require further information in the meantime please contact my office in writing. Electronic communications should include a full postal address

Yours faithfully



A POXON  
Joint Liquidator

Licensed in the UK by the Institute of Chartered Accountants in England and Wales



APPENDIX A

ACCOUNT OF LIQUIDATORS' RECEIPTS AND PAYMENTS FOR THE PERIOD FROM  
5 OCTOBER 2012 TO 4 OCTOBER 2013

	Estimated to realise £	This period £
<b>RECEIPTS</b>		
Balance from Administration	65,843 13	65,834 13
Inter-Company Debtor	-	7,641 00
Supplier Repayment	-	674 26
Bank Interest	-	206 38
	<u>65,843 13</u>	<u>74,355 77</u>
<b>PAYMENTS</b>		
Administrators Remuneration		(2,000 00)
CAT1 Disbursements		(166 00)
Software Licence		(75 00)
		<u>(2,241 00)</u>
<b>DISTRIBUTIONS</b>		
Preferential Creditors		(1,283 25)
<b>BALANCE</b>		<u>70,831 52</u>

## APPENDIX B

SUMMARY OF LIQUIDATORS' TIME COSTS FOR THE PERIOD  
FROM 5 OCTOBER 2012 TO 4 OCTOBER 2013

	Director		Manager 2		Administrator 2		Administrator 4		Total		Average	
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate	£
Statutory & Review	30	1,275 00	-	-	5	105 00	43	580 50	78	1,960 50	251 35	
Receipts & Payments	-	-	-	-	-	-	15	202 50	15	202 50	135 00	
Insurance	-	-	-	-	-	-	14	189 00	14	189 00	135 00	
Assets	12	510 00	-	-	3	63 00	3	40 50	18	613 50	340 83	
Liabilities	6	255 00	35	997 50	80	1,680 00	72	972 00	193	3,904 50	202 31	
Landlords	-	-	5	142 50	-	-	-	-	5	142 50	285 00	
General Administration	-	-	10	285 00	-	-	-	-	10	285 00	285 00	
Appointment	33	1,402 50	-	-	-	-	45	607 50	78	2,010 00	257 69	
Investigations	-	-	5	142 50	-	-	13	175 50	18	318 00	176 67	
Total	81	3,442 50	55	1,567 50	88	1,848 00	205	2,767 50	429	9,625 50		
Average Hourly Rate (£)		425 00		285 00		210 00		135 00		224 37		
All Units are 6 minutes												

APPENDIX C

**LEONARD CURTIS CHARGE OUT RATES AND POLICY REGARDING STAFF ALLOCATION, SUPPORT STAFF, THE USE OF SUBCONTRACTORS AND THE RECHARGE OF 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.

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

	Standard £
Director	425
Senior Manager	385
Manager 1	330
Manager 2	285
Administrator 1	230
Administrator 2	210
Administrator 3	190
Administrator 4	135
Support	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.

**BRNE Realisations Limited (formerly Brown and Newirth Limited) - In Creditors' Voluntary Liquidation**

**APPENDIX D**

Rule 4.73

Form 4.25

**PROOF OF DEBT – GENERAL FORM**

BRNE REALISATIONS LIMITED (FORMERLY BROWN AND NEWIRTH LIMITED)	
Date of Winding-Up Order/Resolution for voluntary winding-up 6 February 2012	
1	Name of Creditor (if a company please also give company registration number )
2	Address of creditor for correspondence (Please include email address)
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation
4	Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convener of any meeting )
5	If amount in 3 above includes outstanding uncapitalised interest please state amount.
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form )
7	Particulars of any security held, the value of the security, and the date it was given
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates
9	Signature of creditor or person authorised to act on his behalf  Name in BLOCK LETTERS  Position with or relation to creditor  Address of person signing (if different from 2 above)
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Liquidator	Liquidator