

## The Insolvency Act 1986

**Notice of end of administration****2.32B**

Name of Company

Berry Birch & Noble Insurance  
Brokers Limited

Company number

01000919

In the High Court

[full name of court]

Court case number

9062 of 2006

We Finbarr Thomas O Connell  
KPMG LLP  
8 Salisbury Square  
London EC4Y 8BB  
United Kingdom →Jane Bronwen Moriarty  
  
\_\_\_\_\_

having been appointed Joint Administrators of Berry Birch & Noble Insurance  
Brokers Limited 8 Salisbury Square London EC4Y 8BB ~~DO NOT USE~~ ('the company')  
on 10 November 2006 by  
hereby give notice that we think the purpose of administration has been sufficiently achieved in  
relation to the company

We attach to this notice a copy of the final progress report

We have sent a copy of this notice to the registrar of companies

Signed

Joint Administrators

Dated

5 November 2007

**Endorsement to be completed by the court**

Insert date and time

This form and the attached documents has been filed

**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

Ros Kitley  
KPMG LLP  
8 Salisbury Square  
London EC4Y 8BB  
United Kingdom

Tel +44 (0) 20 7311 1000

DX Number DX 38050 Blackfriars

DX Exchange

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

MONDAY



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05/11/2007  
COMPANIES HOUSE

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**Berry Birch & Noble Insurance  
Brokers Ltd (in administration)**

**Final Report to creditors  
under Paragraph 80 of  
schedule B1 of the  
Insolvency Act 1986**

KPMG LLP

2 November 2007

*This report contains 10 Pages*

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## **Contents**

<b>1</b>	<b>Glossary</b>	<b>1</b>
<b>2</b>	<b>Introduction</b>	<b>1</b>
<b>3</b>	<b>Background and events leading to the appointment of the administrators and conduct of the administration</b>	<b>2</b>
3 1	Background	2
3 2	Events leading to the appointment of the administrators	2
3 3	Conduct of the administration	2
<b>4</b>	<b>Outcome and exit from the administration</b>	<b>4</b>
<b>5</b>	<b>Other matters</b>	<b>5</b>
	<b>Appendix 1 – Statutory Information</b>	<b>6</b>
	<b>Appendix 2 – Time costs</b>	
	<b>Appendix 3 – Receipts and payments account</b>	<b>7</b>
	<b>Appendix 3 – Receipts and payments account</b>	<b>8</b>



## 1 Glossary

Administrators	Finbarr O'Connell and Jane Moriarty of KPMG LLP
Administration Order	10 November 2006  Administration order number 9062 of 2006
Company	Berry Birch & Noble Insurance Brokers Limited ("BBNIB") (company registered number 1000919)
The Directors	A Shortis M Oliver

The references in this report to sections, paragraphs or rules are to the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (Amendment) Rules 2003 respectively

## 2 Introduction

As previously reported, Finbarr O'Connell and Jane Moriarty of KPMG LLP were appointed as Joint Administrators of BBNIB on 10 November 2006 by application of its Directors

In accordance with Paragraph 100(2) of schedule B1 Insolvency Act 1986 the functions of the Joint Administrators are exercised by any or one of the Administrators

In accordance with Paragraph 80 of schedule B1 Insolvency Act 1986 the Joint Administrators now set out their final report as the purpose of the administration, as set out in the administrators' proposals has now been achieved

The report also includes certain information required to be provided to creditors in accordance with Rule 2.110 of the Insolvency (Amendment) Rules 2003

### **3 Background and events leading to the appointment of the administrators and conduct of the administration**

#### **3.1 Background**

BBNIB is a wholly owned subsidiary of Berkeley Berry Birch plc (in administration) ("BBB") which went into administration on 21 March 2006. This subsidiary was largely responsible for the insurance intermediary business of the BBB Group (See Appendix 2).

The business and assets of BBNIB were sold by the Directors prior to the administration of BBB for £3.5m including deferred consideration of £1.3m due in 2007. The deferred consideration is subject to future trading performance, lease dilapidations and potential breach of warranty claims. The final outcome regarding the deferred consideration remains uncertain.

The directors of BBB estimated in their statement of the affairs that its investment in BBNIB would realise approximately £4 million in total. The Directors of BBNIB considered BBNIB to be solvent. In fact BBNIB, having made the usual enquiries, distributed £1million to the administration of BBB in April 2006 by way of an interim distribution of retained profits.

#### **3.2 Events leading to the appointment of the administrators**

During the weeks leading up to the administration of the company, representatives of GP Noble Trustees Ltd, a potential creditor of BBNIB in respect of the group defined benefits pension scheme, had several conversations with the Directors in which they significantly increased the estimate of the potential pension deficit claim attributable to BBNIB from a few £100,000's to a figure in the region of £6 million. The effect of this was to place the Directors on notice of the potential insolvency of BBNIB. As a result this prevented the board from being able to function in dealing with the day to day affairs of BBNIB. On this basis the Directors concluded that they had no alternative but to make the administration appointment to protect the assets of BBNIB and to enable the appointed Administrators to manage its affairs, including the collection of the deferred consideration due in March 2007. Also, the appointment would preserve the tax position, subject to the eventual financial outcome for the company, to enable the payment of any BBNIB surplus up to BBB without any tax being payable.

#### **3.3 Conduct of the administration**

##### **3.3.1 Creditor claims**

Due to the uncertainty on the company's solvency and creditor claims, the administrator sought to agree creditor claims at the outset. On 17 January 2007 the administrators issued notice of intention to pay a dividend which gave creditors 28 days to submit quantified and evidenced claims.

The pension scheme trustee contacted the administrators to request an extension of time to submit the claim and due to the complexity of the claim, an extension of time was granted to 23 February 2007. On 21 February the pension scheme trustee submitted a claim for £3.58m but provided no supporting information. The trustee subsequently advised that the figures were provisional. However, in the interim, the administrators were advised by Pension Protection Fund ('PPF') that BBNIB had entered into assessment and the PPF had taken over conduct of the claim.

Following the extended deadline to submit claims, the PPF submitted a claim on 6 March for £332,930 which was supported by a letter from the scheme actuary. The claim was submitted calculated on a 'buy out' basis and attributed to a period of 30 September 2001 to 31 March 2003 and listed the employees the scheme trustee considered to work for BBNIB.

Following legal advice, there were a number of issues regarding the calculation of the claim submitted by the PPF. In particular the administrators were advised that the claim should be recalculated on an 'MFR' (minimum funding requirement) basis as that was applicable to pension claims at the time BBNIB ceased to be an employer. In addition there were some issues regarding some of the employees listed.

The administrators were concerned to ensure that the delays in agreeing the pension scheme claim did not prejudice the overall tax position and as a result issued a further notice of intention to pay a dividend. The PPF submitted an increased claim for £3.4m. The administrators rejected the increased claim setting out in detail the reasons for rejection. The administrators met with the PPF to explain to them their detailed reasoning with regard to the quantum of the PPF's claim. The PPF did not appeal the rejection and the administrators thereafter applied to the court to declare and pay a dividend to creditors whose claims had been agreed with a proposal to provide for the pension scheme claim at the figure originally submitted of £332,930. The PPF confirmed to the court that they had no objection to the administrators' application.

The administrators thereafter declared and paid admitted claims in full with statutory interest and created a provision for the PPF claim to be formally quantified in a liquidation process.

The impact of the court application was to return BBNIB to solvency and therefore one of the purposes of the administration was achieved.

### 3.3.2 Assets

The quantum of the deferred consideration due following the sale of the business, remains to be agreed with the purchaser.



## **4 Outcome and exit from the administration**

As the purpose of the administration has been completed, the administrators will exit the administration and the company will return to the control of the directors in order to make a distribution to its parent, Berkeley Berry Birch Plc (In liquidation)

Following the payment of a dividend, the directors intend to place BBNIB into members' voluntary liquidation. The liquidators of BBNIB will complete the agreement on the quantum of the pension scheme claim and the remaining realisation of assets.



## **5 Other matters**

### **5 1 1 Remuneration and expenses**

In accordance with the proposals approved by creditors the Administrators' remuneration was fixed by reference to time properly given by the Administrators and their staff in attending to matters arising in the administration. KPMG time costs total and disbursements total £254,098, excluding VAT, and are detailed in Appendix 2.

### **5 1 2 Receipts and payments account**

Attached at Appendix 3 is a receipts and payments account for the period of the administration. The legal fees incurred are in respect of the pension scheme claim.



## Appendix 1 – Statutory Information

<b>Date of Incorporation</b>	27 January 1971
<b>Company registration number</b>	1000919
<b>Previous registered office</b>	Eaton House 1 Eaton Road Coventry CV1 2FJ
<b>Present registered office</b>	KPMG LLP 8 Salisbury Square London EC4Y 8BB
<b>Trading address</b>	As previous registered office
<b>Authorised share capital</b>	£150,000
<b>Called up share capital</b>	150,000 £1 ords
<b>Shareholders</b>	Berkeley Berry Birch plc (in Administration)
<b>Directors during the last 12 months</b>	M Oliver A Shortis N Davenport (resigned 8/5/06) P Harrison (resigned 2/3/06) D Macleod (resigned 2/3/06) P Wright (resigned 2/3/06)
<b>Company secretary</b>	M Oliver
<b>Employees</b>	None
<b>Previous names</b>	Berry, Birch and Noble (Insurance Brokers) Limited (until 31/1/89) Berry, Birch & Hawksford (Insurance Brokers) Limited (until 20/8/86)



*Berry Birch & Noble Insurance Brokers Ltd (in administration)*  
*Final Report to creditors under Paragraph 80 of schedule B1 of the Insolvency Act 1986*  
KPMG LLP  
2 November 2007

## **Appendix 2 – Time costs**

**Berry Birch & Noble Insurance Brokers Limited (in administration)**  
**Analysis of time costs incurred from 10 November 2006 to 26 October 2007**  
**Summary Of Time Costs**

Grade of Staff	Senior		Manager	Senior		Administrator	Support	Total Hours	Total Cost £	Average Rate £
	Partner	Manager		Administrator	Support					
Hourly charge-out rate/£	440	345	275	195	140	90				
Activity										
Strategy, Statutory and Compliance	12.2	32.3	2.3	84.5	2.0	10.7		144.0	35,039.00	242.16
Asset realisation	4.5	61.8	0.0	3.0	0.0	2.5		71.8	24,111.00	335.81
Employees	1.0	1.0	0.0	0.0	0.0	0.0		2.0	785.00	393.14
Directors	3.0	13.5	0.0	5.5	0.0	0.0		22.0	7,050.00	320.45
Creditors & claims	169.1	208.7	8.0	55.0	0.0	0.0		440.8	161,141.00	338.82
Cashiering	0.4	0.0	3.2	10.2	0.0	0.9		14.7	3,146.50	214.05
Tax	0.0	2.5	8.0	22.2	8.9	0.0		41.6	10,662.00	256.30
Investigations	0.0	2.0	0.0	2.0	0.0	0.0		4.0	1,080.00	270.00
Shareholders	0.0	26.0	0.0	0.0	0.0	0.0		26.0	9,330.00	358.85
Total Sum of Hours	190.2	347.8	21.5	182.4	10.9	14.1		766.9	252,344.50	329.52

**Expenses**

Administrators' bonds	1,600.00
Telecommunications	154.21

1,754.21

**Total time & expenses**

**254,098.71**

All staff who have worked on this assignment, including cashiers and support and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent  
The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge-out rates



## Appendix 3 – Receipts and payments account

### Receipts and payments account To 26 October 2007

Income	Total (£)
Cash at bank	2,038,372 60
Bank interest, gross	79,215 83
Sundry refunds	10,222 50
	<hr/> 2,127,810 93
 Expenditure	
Professional fees	1,500 00
Administrators' fees	252,344 50
Administrators' expenses	1,754 21
Irrecoverable VAT	63,262 52
Legal fees	96,535 18
Re-direction of mail	69 80
Statutory advertising	1,721 43
Land registry fees	10 00
Distribution to unsecured creditors	62,974 84
	<hr/> 478,371 25
 Provision for PPF claim	(332,930 00)
Provision for tax	(24,5000 00)
Return to company	<hr/> 1,292 009 68