

2.24B**Administrator's progress report**

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

Administrators of the above company attach a progress report for the period

from	to
10 November 2006	9 May 2007

Signed

Jane Moriarty
Joint Administrators

Dated

21 June 2007

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.

Ann Spence
KPMG LLP
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DX Number DX 38050 Blackfriars

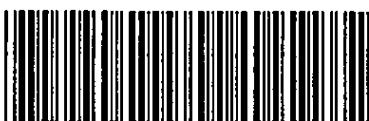
Tel
DX Exchange

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

SATURDAY



A45

A100VQNO
23/06/2007
COMPANIES HOUSE

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Contact Ros Kitley
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8 June 2007

WEDNESDAY

A27

13/06/2007
COMPANIES HOUSE

495

Dear Creditor

Berry Birch & Noble Insurance Brokers Ltd (In administration) ("BBNIB")

I am writing to you with my first progress report, pursuant to Rule 2.47 of the Insolvency Rules and following my appointment as joint administrator of BBNIB on 10 November 2006. The report sets out our progress for the six months to 9 May 2007. Attached to this report is a schedule which sets out the statutory information required for the purposes of Rule 2.47.

1 Assets

The only outstanding asset of BBNIB is the deferred consideration payable following the sale of the remaining business in February 2006. The deferred consideration is dependent upon performance of the acquired business, dilapidations on the leasehold premises and settlement of the client money position which was under dispute at the time of the sale and had been the subject of an FSA investigation.

The deferred consideration became due and payable in March 2007. However, in April 2007 the purchaser supplied information to challenge the level of consideration payable. This included dilapidations, legal costs in respect of an employment tribunal, client money issues and a claim on reduced turnover. The directors of BBNIB are currently assisting the administrators with regard to the issues raised on the turnover and dialogue with the purchaser will continue.

2 Liabilities

Creditor claims received in the proceedings total £414,093. The majority of this figure represents the Pension Scheme claim. The paucity of records within the Berkeley Berry Birch group and the complexity of the issues involved have made the agreement of some of the claims difficult.

Pension Scheme claim

You will recall from the report dated 3 January 2007, which included the administrators' proposals for the conduct of the administration, the directors determined that BBNIB was insolvent following notification of a claim by the Trustee of the group's defined benefits pension scheme for an estimated liability of £5-6m in respect of a shortfall in the scheme. The claim arose because BBNIB appeared to have acted as an employer for certain members of the pension scheme for a period of time, although the relevant paperwork to support this claim appears to be limited.

As the claim of £5-6m notified to the directors was significantly greater than the directors' previous estimate, I took advice in respect of the claim in my capacity as administrator and, in the interim, notified the Pension Protection Fund ('PPF') of the insolvency. The PPF subsequently placed BBNIB into an assessment period which gives the PPF conduct of the claim.

In order to progress matters in the administration and after obtaining legal advice, I took the step of issuing a notice of intended dividend in order to crystallise and formally agree the liabilities. All known creditors submitted their claims with the exception of the pension scheme Trustee who requested a further extension due to the complexity of the claim.

After agreeing to an extension, the Trustee submitted a reduced claim through the PPF of £332,930, which was calculated by actuaries on a buyout basis and included employees who, a director advised, did not work for BBNIB but worked for other companies in the Berkeley Berry Birch group.

I have been advised that the pension claim should be calculated at the lower MFR (Minimum Funding Requirement) level. The PPF has now advised that they have requested the Trustee to have the claim recalculated on this basis and the Trustee is taking further legal advice on the position. A revised claim is awaited.

The delay in being able to agree the pension claim has prevented the administrators applying to the court to pay creditors. A proposal as regards to the way forward has been made to the PPF which may allow the administrators to proceed with the payment of other creditors and their response is awaited.

Private Insurance Portfolio ("PIP") claim

PIP submitted a claim for £22,853.15 in respect of client monies outstanding following their acquisition of a division of the business of BBNIB in January 2006. Following a review of the claim, the administrators have determined that no monies remain outstanding and that PIP is a debtor of BBNIB.

3 Dividend prospects

On present information it is anticipated that creditors will be paid in full plus statutory interest at 8%. Due to the problems in agreeing the pension scheme claim the administrators will be obliged to re-issue the statutory notice of an intention to pay a dividend.

4 Exit from the administration

Based on the current claim submitted by the PPF, BBNIB would now appear to be solvent. As soon as the creditor position is determined, the administrators will be discharged and the company will be returned to the control of the directors in order to resolve any outstanding recoveries. It is anticipated BBNIB will, in due course, be placed into members' voluntary liquidation.

5 Other matters

I attach a receipts and payments account for the six months to 9 May 2007, together with a schedule of time and costs incurred in the proceedings. You will note from the attached schedule that a total of 447 1 hours have been incurred in dealing with this matter, the majority of which related to the agreement of claims.

Yours sincerely



F O'Connell

Joint administrator

The affairs, business and property of the company are being managed by the joint administrators.

Finbarr Thomas O'Connell is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in Ireland.
Jane Bronwen Moriarty is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in Ireland.



Statutory information

Court details	In the High Court – Case number 9062 of 2006
Company name and registered office	Berry Birch & Noble Insurance Brokers Ltd Registered office, 8 Salisbury Square London EC4Y 8BB Company number 0100919
Administrators	Finbarr O'Connell Jane Bronwen Moriarty KPMG 8 Salisbury Square London EC4Y 8BB Appointed on 10 November 2006 by the directors of the company In accordance with Paragraph 100(2) of schedule B1 Insolvency Act 1986 the functions of the Joint Administrators are being exercised by any or one of the Administrators

Appendix 1 – Receipts and Payments Account

Berry Birch & Noble Insurance Brokers Limited
(In Administration)

Receipts and Payments Account
From 10 November 2006 to 9 May 2007

	£'000
Receipts	
Cash at bank	2,038
Bank interest	26
Sundry refunds	10
	<hr/> 2,074
Payments	
Administrators' fees	(60)
Professional fees	(20)
VAT	(15)
Administrators' expenses	(2)
Statutory advertising	(1)
	<hr/>
Balance held	<u><u>1,976</u></u>

***SIP 9 Compliant fees worksheet 10 November 2006 to 9 May 2007**

EXPENSES 3

NOTES

* Statement of Insolvency Practice 9 governing the disclosure and sanction of administrators' remuneration

**** Tax administrator rates vary from £165 to £255 per hour (admtr denotes 'administrator')**

All staff who have worked on this assignment, including cashiers 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.