

The Insolvency Act 1986

**Administrator's progress report****2.24B**

Name of Company KINGS HEATH PATTERN CO LIMITED	Company number 01901937
In the Birmingham District Registry <small>[full name of court]</small>	Court case number 8257 of 2009


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

I/We (a) P D Masters & A Clifton of Leonard Curtis, Bamfords Trust House,  
85-89 Colmore Row, Birmingham B3 2BB

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

	from	to
(b) Insert dates	(b) 14 April 2009	(b) 13 October 2009

Signed

  
Joint / Administrator(s)

Dated

09 November 2009**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	
Bamfords Trust House, 85-89 Colmore Row, Birmingham B3 2BB	
Ref: KES/24	Tel 0121 200 2111
DX Number	DX Exchange

ou have completed and signed this form please send it to the Registrar of Companies at: Companies  
Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff



A37 11/11/2009 7  
COMPANIES HOUSE



**LEONARD CURTIS**  
BUSINESS RESCUE & RECOVERY

**KINGS HEATH PATTERN CO LIMITED  
(IN ADMINISTRATION)**

**Joint Administrators' progress report  
for the period 14 April 2009 to 13 October 2009**

**9 November 2009**

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**STRICTLY PRIVATE AND CONFIDENTIAL  
NOT FOR PUBLICATION**

**TO: THE REGISTRAR OF COMPANIES  
THE COURT  
ALL CREDITORS  
ALL MEMBERS**

**1 STATUTORY INFORMATION**

- 1.1 Paul Masters and Alan Clifton were appointed as Joint Administrators of Kings Heath Pattern Co Limited ("the Company") in the jurisdiction of Birmingham District Registry, number 8257 of 2009 on 14 April 2009. The administration appointment was made by the directors of the Company.
- 1.2 The Administration is being handled by Leonard Curtis' Birmingham office, which is situated at Bamfords Trust House, 85-89 Colmore Row, Birmingham, B3 2BB.
- 1.3 The trading address of the Company was 23 Crown Road, Kings Norton, Birmingham, B30 3HY. The business traded under its registered name.
- 1.4 The registered office address at the date of the appointment of Joint Administrators was 23 Crown Road, Kings Norton, Birmingham, B30 3HY. This was changed to Bamfords Trust House, 85-89 Colmore Row, Birmingham, B3 2BB on 17 April 2009. The Company's registered number is 01901937.
- 1.5 The functions of the Administrators may be exercised by either or both, acting jointly or alone.

**2 PROGRESS OF THE ADMINISTRATION**

- 2.1 Attached at Appendix A is the Joint Administrators' receipts and payments account for the six month period from 14 April 2009 to 13 October 2009.
- 2.2 **Sale of Business**

The business and assets of the Company were sold on 14 April 2009 to KH Pattern Limited. The agreed sale consideration was £20,000, apportioned as follows:

<b>Asset:</b>	<b>£</b>
Commercial Records and Customer Lists	1.00
Goodwill	5,000.00
Stock	2,000.00
Plant and Equipment	12,998.00
Work in Progress	1.00
	<u>20,000.00</u>

I can confirm that the whole of the sale consideration has now been received.

**2.3 Book Debts**

As at the date of the administration, the Company had book debts with a book value of £198,452, of which £162,319 is considered realisable. Recoveries achieved to date are summarised below:

	Book value £	Statement Of Affairs £	Realised to date £
Book debts	198,452.00	162,319.00	145,547.52
<u>Less: Lloyds TSB Commercial Finance</u>	<u>(118,743.00)</u>	<u>(118,743.00)</u>	<u>(118,743.00)</u>
<u>Less: LTSBCF Termination Fee</u>	<u>-</u>	<u>-</u>	<u>(18,599.00)</u>
	<u>79,709.00</u>	<u>43,576.00</u>	<u>8,205.52</u>

The invoice discounter, Lloyds TSB Commercial Finance ('LTSBCF') has been repaid in full, including termination charges, from debtor collections and has forwarded the surplus it held, of £8,205.52, to me. The remaining debtor ledger of £51,739.94 has been reassigned to the Company, however only £4,000 of this is estimated to be collectable. Since the date of reassignment, no further realisations have been achieved.

**3 ASSETS STILL TO BE REALISED**

- 3.1 The only asset that remains outstanding is the book debts that have been reassigned from LTSBCF.

**4 JOINT ADMINISTRATORS' REMUNERATION**

- 4.1 The unsecured creditors have approved the basis of the Joint Administrators' remuneration to be fixed by reference to the time properly spent by them and their staff in managing the Administration.
- 4.2 The Joint Administrators' time costs at 30 October are £18,296. This represents 99.2 hours at an average rate of £190.79 per hour. Attached at Appendix B is a time analysis which provides details of the activity costs incurred by staff grade during this period. To date, no remuneration has been drawn.
- 4.3 Creditors have already approved the basis on which disbursements are charged. To date, however, I have not drawn any category 1 (which do not require approval) or category 2 disbursements.
- 4.4 Attached as Appendix C 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.

**5 ESTIMATED OUTCOME FOR CREDITORS**

- 5.1 The Joint Administrators consider that the second objective of administration will be achieved in this case, namely, achieving a better result for the creditors as a whole than would be likely if the Company were wound up voluntarily. The immediate sale of the business mitigated counter claims against the Company, enabled the goodwill to be realised and enhanced book debt recovery, thus maximising the return to LTSBCF.
- 5.2 There are no preferential creditors in this case.
- 5.3 I can confirm that LTSBCF has been repaid in full in respect of its security over the company's debtor ledger.
- 5.4 It is unlikely that a dividend will be paid to unsecured creditors. Unsecured claims have been acknowledged (where requested) and logged.

**6 ENDING THE ADMINISTRATION**

- 6.1 It is unlikely that a request will be submitted to creditors for an extension of time to the current 12 month duration of the administration. However, if required, a request for an extension of time will be communicated to creditors in due course.
- 6.2 The exit route from administration is likely to be through the dissolution of the Company.

**7 NEXT REPORT**

- 7.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

For and on behalf of  
**KINGS HEATH PATTERN CO LIMITED**  
**(IN ADMINISTRATION)**



**P D MASTERS**  
**JOINT ADMINISTRATOR**  
**9 November 2009**

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM  
14 APRIL 2009 TO 13 OCTOBER 2009**

	<b>Per Statement of Affairs £</b>	<b>Total £</b>
<b>RECEIPTS</b>		
Commercial Records and Customer Lists	0.00	1.00
Work in Progress	0.00	1.00
Goodwill	5,000.00	5,000.00
Plant and Machinery	12,998.00	12,998.00
Stock	2,000.00	2,000.00
Debtors not subject to Fixed Charge	162,319.00	8,205.52
Rent Deposit Paid	12,484.00	0.00
		<u>28,205.52</u>
<b>PAYMENTS</b>		
Agents' Fees and Expenses		3,021.00
Solicitors' Fees and Expenses		3,992.00
Statutory Advertising		75.60
Software Licence Fee		75.00
VAT Receivable		114.08
		<u>7,277.68</u>
<b>BALANCE IN HAND</b>		<u>20,927.84</u>

**SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD  
FROM 14 APRIL 2009 TO 9 November 2009**

	Director		Manager 1		Administrator 1		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	22	869.00	37	1,054.50	28	546.00	58	609.00	145	3,078.50	212.31
Receipts & Payments	1	39.50	-	-	16	312.00	38	399.00	55	750.50	136.45
Insurance	-	-	-	-	-	-	2	21.00	2	21.00	105.00
Assets	40	1,580.00	4	114.00	169	3,295.50	28	294.00	241	5,283.50	219.23
Liabilities	4	158.00	1	28.50	36	702.00	77	808.50	118	1,697.00	143.81
Landlords	-	-	5	142.50	21	409.50	9	94.50	35	646.50	184.71
Debenture Holder	-	-	-	-	45	877.50	-	-	45	877.50	195.00
General Administration	5	197.50	31	883.50	4	78.00	71	745.50	111	1,904.50	171.58
Appointment	-	-	-	-	13	253.50	43	451.50	56	705.00	125.89
Planning & Strategy	-	-	-	-	-	-	28	294.00	28	294.00	105.00
Post Appointment Creds Mings	37	1,461.50	-	-	70	1,365.00	29	304.50	136	3,131.00	230.22
Investigations	6	237.00	3	85.50	11	214.50	-	-	20	537.00	268.50
<b>Total</b>	<b>115</b>	<b>4,542.50</b>	<b>81</b>	<b>2,308.50</b>	<b>413</b>	<b>8,053.50</b>	<b>383</b>	<b>4,021.50</b>	<b>992</b>	<b>18,926.00</b>	
<b>Average Hourly Rate (£)</b>		<b>395.00</b>		<b>285.00</b>		<b>195.00</b>		<b>105.00</b>		<b>190.79</b>	

All Units are 6 minutes



## ADDITIONAL INFORMATION IN RELATION TO ADMINISTRATORS' FEES AND DISBURSEMENTS PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9

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

### Staff Allocation, Support Staff and the Use of Subcontractors

We take an objective and practical approach to each assignment which includes active partner 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 charged.

With effect from 1 January 2009 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

Grade of Staff	From 1 January 2009
Partner	395
Senior Manager	350
Manager 1	285
Manager 2	245
Administrator 1	195
Administrator 2	170
Administrator 3	150
Administrator 4	105
Support	0

We have not utilised the services of any sub-contractors in this case.

### Professional Advisors

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.

On this case we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
SHM Smith Hodgkinson	Hourly rate and disbursements
CK Chartered Accountants	Hourly rate and disbursements
Higgs and Sons	Hourly rate and disbursements

### Disbursements

Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses, including car mileage at 40p a mile, incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage. Category 1 disbursements incurred on this case are detailed in Appendix A.

Where we propose to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, documents storage or communication facilities provided by us) they must be disclosed and be authorised by those responsible for approving the administrator's remuneration. Such expenditure is referred to as a "category 2 disbursement". The following items of expenditure are ordinarily 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)	£62.90 per box

No category 2 disbursements have been drawn on this case to date.

STATEMENT OF CLAIM FORM

Relevant date for claims: 14 April 2009

Name of creditor:

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Address of creditor:

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Gross amount of claim:  
(ie including VAT)

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Amount of VAT

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Details of any document by  
reference to which the debt can be  
substantiated:  
(eg invoices)

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Particulars of how and when debt  
incurred:

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Particulars of any security held, the  
value of the security and the date it  
was given:

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Signature of creditor or person  
authorised to act on his behalf:

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Name in BLOCK CAPITALS:

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Position with or relation to creditor:

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