

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)

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

(b) Insert dates	from (b) 14 April 2009	to (b) 13 April 2010
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Signed   
 Joint / Administrator(s)

Dated 13 April 2010

**Contact Details**

\*A86HOJ!U\*

A34 27/04/2010 18  
COMPANIES HOUSE

\*AE6JKJ6M\*

A40 15/04/2010 142  
COMPANIES HOUSE

Leonard Curtis	
Bamfords Trust House, 85-89 Colmore Row, Birmingham B3 2BB	
Ref KES/24	Tel 0121 200 2111
DX Number	DX Exchange

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



**LEONARD CURTIS**  
BUSINESS RESCUE & RECOVERY

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

Registered Number 01901937  
Court Ref 8257 of 2009  
Chancery Division, High Court  
Birmingham District Registry

**Joint Administrators' Final Progress Report  
for the period 14 April 2009 to 13 April 2010**

**13 April 2010**

Leonard Curtis  
Bamfords Trust House, 85-89 Colmore Row, Birmingham, B3 2BB  
Tel 0121 200 2111 Fax 0121 200 2122

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## KINGS HEATH PATTERN CO LIMITED – IN ADMINISTRATION

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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NOT FOR PUBLICATION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 Alan Clifton and I were appointed as Joint Administrators of Kings Heath Pattern Co Limited ("the Company") in the jurisdiction of the Birmingham District Registry, number 8257 of 2009 on 14 April 2009. The Administration appointment was made by the director of the Company, Mr Stephen Harris.
- 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, West Midlands B30 3HY.
- 1.4 The registered office address at the date of administration was 23 Crown Road, Kings Norton, Birmingham, West Midlands 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.
- 1.6 This is the Joint Administrators' final progress report, and they will now file for the dissolution of the Company in accordance with the proposals deemed to be approved at the meeting of creditors held by correspondence on 3 June 2009. A copy of the proposals is attached at Appendix F.

### 2 PROGRESS OF THE ADMINISTRATION

- 2.1 Attached at Appendix A is the Joint Administrators' receipts and payments account for the period from 14 April 2009 to 13 April 2010.

#### Assets

- 2.2 As noted in my proposals dated 18 May 2009, the business and assets of the Company were sold to K H Pattern Limited, an associated party as defined by Section 435 of the Insolvency Act 1986, on 14 April 2009 for £20,000. This consideration has been received in full and has been apportioned as follows:

	£
Goodwill	5,000
Stocks	2,000
Contracts	1
WIP	1
Plant & Machinery	12,998
	<u>20,000</u>

## KINGS HEATH PATTERN CO LIMITED – IN ADMINISTRATION

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### Book Debts

- 2.3 As at the date of the administration, the Company had book debts with a book value of £198,452, of which £162,319 was considered realisable. Actual recoveries achieved are summarised below:

	Book value £	Statement Of Affairs £	Realised £
Book debts	198,452.00	162,319.00	145,547.52
Less: sum due to LTSBCF	(118,743.00)	(118,743.00)	(118,743.00)
Less: LTSBCF Termination Fee	-	-	(18,599.00)
	<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, to me. A debtor ledger of £48,995 was reassigned to the Company, however the debts have since proven uncollectable and have been written off.

### VAT Refund

- 2.4 A VAT refund of £7,211 was received from HMRC on 25 March 2010 in relation to VAT charged on collection and termination fees by LTSBCF from the date of my appointment.

### Rent Deposit Deed

- 2.5 According to information registered at Companies House, Segro (KNBC) Limited ("Segro") hold a rent deposit deed, securing a deposit in the sum of £12,484 that was created on 11 April 2008 and registered on 17 April 2008. Segro have submitted a claim for £51,487; therefore the rent deposit is unrealisable.

## 3 ASSETS STILL TO BE REALISED

- 3.1 There are no further assets to realise.

## 4 JOINT ADMINISTRATORS' REMUNERATION

- 4.1 As noted in my previous report, in accordance with Rule 2.106 of the Insolvency Rules 1986, the Joint Administrators' fee approval was sought from, and agreed by, the creditors of the Company.
- 4.2 The Joint Administrators' time costs at 13 April 2010 are £29,709.50. This represents 157.3 hours at an average rate of £188.87 per hour. Attached at Appendix B is a time analysis which provides details of the activity costs incurred by staff grade during this period.
- 4.3 The Joint Administrators have drawn fees totalling £28,531.36 in respect of their time costs. All remaining time costs will be written off.

## KINGS HEATH PATTERN CO LIMITED – IN ADMINISTRATION

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4.4 In addition, the following Category 1 disbursements have been incurred and drawn in this case

Disbursement Category 1	Amount £
Storage charges	27 08
Bordereau insurance charge	135 00
Post redirection	24 90
Money laundering charges	39 80
Companies House searches	2 00
Sundry	75 00
Transportation	13 00
Statutory advertising	151 20
<b>Total</b>	<b>467 98</b>

4.5 The creditors also approved the basis for recharging disbursements that include an element of allocated cost or payments to outside parties in which my firm or I have an interest. These costs are referred to as Category 2 disbursements. In this case no costs falling into these categories have been paid.

4.6 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. Creditors may download a "Creditors Guide to Administrators' Fees" from [www.leonardcurtis.co.uk/downloads](http://www.leonardcurtis.co.uk/downloads) or request the guide from our office free of charge.

## 5 OUTCOME FOR CREDITORS

5.1 The Joint Administrators consider that the second objective of administration has been 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 I can confirm that LTSBCF has been repaid in full in respect of its security over the company's debtor ledger.

5.3 There are no preferential creditors in this case.

5.4 No dividend will be paid to unsecured creditors. Unsecured claims have been acknowledged (where requested) and logged.

## 6 CONCLUSION OF ADMINISTRATION

6.1 As all outstanding matters are now complete, the Administrators will file for dissolution of the Company by registering Form 2.35B at Companies House in accordance with proposal number four. A copy of Form 2.35B is attached at Appendix D.

**KINGS HEATH PATTERN CO LIMITED – IN ADMINISTRATION**

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6.2 Should you have any questions regarding this report, please contact Kirsty Swan of this office

Yours faithfully  
for and on behalf of  
**KINGS HEATH PATTERN CO LIMITED**



**P D MASTERS**  
**JOINT ADMINISTRATOR**

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

The affairs, business and property of the Company are being managed by the Joint Administrators who act as agents of the Company without personal liability

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT  
FOR THE PERIOD FROM 14 APRIL 2009 TO 13 OCTOBER 2009 AND  
FROM 14 OCTOBER 2009 TO 13 APRIL 2010**

	As per Statement of Affairs £	14/04/09 – 13/10/09 £	14/10/09 – 13/04/10 £	Total £
<b>RECEIPTS</b>				
Commercial Records and Customer Lists	1 00	1 00	-	1 00
Work in Progress	1 00	1 00	-	1 00
Goodwill	5,000 00	5,000 00	-	5,000 00
Plant and Machinery	12,998 00	12,998 00	-	12,998 00
Stock	2,000 00	2,000 00	-	2,000 00
Rent Deposit Paid	12,484 00	-	-	-
VAT Refund	-	-	7,211 32	7,211 32
Agents' Fees and Expenses	-	-	760 50	760 50
Book Debts not subject to Fixed Charge	162,319 00	8,205 52	-	8,205 52
	<b>194,803 00</b>	<b>28,205 52</b>	<b>7,971 82</b>	<b>36,177 34</b>
<b>PAYMENTS</b>				
Administrators' Disbursements		150 60	317 38	467 98
Administrators' Remuneration		-	28,531 36	28,531 36
Agents' Fees and Expenses		3,021 00	-	3,021 00
Solicitors' Fees and Expenses		3,992 00	165 00	4,157 00
		<b>7,163 60</b>	<b>29,013.74</b>	<b>36,177 34</b>
<b>BALANCE IN HAND</b>		<b>21,041 92</b>	<b>(21,041 92)</b>	<b>0 00</b>



## APPENDIX B

## SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FROM 14 APRIL 2009 TO 13 APRIL 2010

	Director			Senior Manager			Manager 1			Administrator 1			Administrator 3			Administrator 4			Total			Average	
	Units	Cost	£	Units	Cost	£	Units	Cost	£	Units	Cost	£	Units	Cost	£	Units	Cost	£	Units	Cost	£	Hourly Rate	£
Statutory & Review	22	869.00		7	245.00		37	1,054.50		98	2,016.00					101	1,090.50		265	5,275.00		199.06	
Receipts & Payments	13	513.50		5	175.00					56	1,144.50					78	849.00		152	2,682.00		176.45	
Insurance										2	39.00					30	327.00		32	365.00		114.38	
Assets	60	2,370.00		1	35.00		4	114.00		254	5,053.50					43	457.50		362	8,030.00		221.82	
Liabilities	4	158.00		6	210.00		1	28.50		39	760.50		2	34.00		107	1,146.00		159	2,337.00		146.98	
Landlords							5	142.50		21	409.50					15	166.50		41	718.50		175.24	
Trading																							
Debtenture Holder										45	877.50							45	877.50			195.00	
General Administration	5	197.50		2	70.00		31	883.50		14	273.00					106	1,135.50		158	2,559.50		161.99	
Pre Appl Credits Meetings																							
Appointment	13	513.50								13	253.50					47	493.50		73	1,260.50		172.67	
Planning & Strategy																28	294.00		28	294.00		105.00	
Post Appointment Credits Mngs	37	1,461.50		13	455.00					97	1,891.50					81	850.50		228	4,658.50		204.32	
Credits Committee Meetings																							
Investigations	6	237.00					3	85.50		11	214.50							20	537.00			268.50	
Financial assessment																							
Strategy & purpose evaluation																							
Preparation of documents										1	19.50					9	94.50		10	114.00		114.00	
Chargeholder																							
Court related issues																							
<b>Total</b>	<b>160</b>	<b>6,320.00</b>		<b>34</b>	<b>1,190.00</b>		<b>61</b>	<b>2,308.50</b>		<b>651</b>	<b>12,952.50</b>		<b>2</b>	<b>34.00</b>		<b>645</b>	<b>6,904.50</b>		<b>1,573</b>	<b>29,709.50</b>			
<b>Average Hourly Rate (£)</b>		<b>395.00</b>			<b>350.00</b>			<b>285.00</b>			<b>198.96</b>			<b>170.00</b>			<b>107.05</b>			<b>188.87</b>			
<b>All Units are 6 minutes</b>																							

Joint Administrators' Final Progress Report

13 April 2010

# **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.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis

	From 01/01/09(£)	From 01/01/10(£)
Partner	395	395
Senior Manager	350	350
Manager 1	285	300
Manager 2	245	260
Administrator 1	195	210
Administrator 2	170	190
Administrator 3	150	170
Administrator 4	105	120
Support	0	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 (Valuation)	Fixed fee
CK Chartered Accountants (Goodwill Valuation)	Fixed fee
Higgs and Sons Solicitors (Legal advice)	Hourly Rate and Disbursements
George Green LLP (Legal advice)	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)	£66.09 per box

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

## FORM 2 35B – NOTICE OF MOVE FROM ADMINISTRATION TO DISSOLUTION

Rule 2 118

Form 2 35B

The Insolvency Act 1986

Notice of move from administration to  
dissolution

2.35B

Name of Company Kings Heath Pattern Co Limited
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Company number 01901937
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In the Birmingham District Registry
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[full name of court]

Court case number 8257 of 2009
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(a) Insert name(s) and  
address(es) of  
administrator(s)I/ We (a) P D Masters & A R Clifton of Leonard CurtisBamfords Trust House, 85-89 Colmore Row, Birmingham B3 2BBInsert name and address of  
registered office of companyhaving been appointed administrator(s) of (b) Kings Heath Pattern Co LimitedBamfords Trust House, 85 – 89 Colmore Row, Birmingham, B3 2BB(c) Insert date of  
appointment(d) Insert name of  
applicant / appointoron (c) 14 April 2009by (d) The director of the Company, Stephen Harris

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

13 April 2010

## Contact Details

do not have to give any contact information in the box  
osite but if you do, it will help Companies House to  
tact you if there is a query on the form The contact  
mation that you give will be visible to searchers of the  
lic record

Companies House receipt date barcode

Leonard Curtis	
Bamfords Trust House, 85-89 Colmore Row, Birmingham B3 2BB	
24/CB	Tel 0121 200 2111
DX Number	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

Joint Administrators' Final Progress Report

13 April 2010

## SUMMARY OF CREDITORS' CLAIMS RECEIVED

Please note that these claims are the claims received and recorded

Name	Per Statement of Affairs £	Creditors' Claim £
A B Engineering	6,666 00	6,666 00
A & W Jigboring Ltd	11,895 30	18,365 31
The RBS Invoice Finance Limited	12,619 30	0 00
GPD Developments Ltd	29,340 38	31,069 32
Narvik Developments Ltd	0 00	9,490 00
Joseph & Jesse Siddons Ltd	10,592 21	10,591 51
Smestow Pattern & Tool Company Ltd	19,607 50	19,607 50
Standard Engineering (UK) Ltd	5,254 25	0 00
Swan Foundry (Banbury) Ltd	21,792 59	42,761 24
Ebalta (UK) Ltd	2,006 65	2,006 65
AA Fleet Advantage	616 82	30 00
Birmingham City Council	11,033 75	392 98
John Burn & Co (B'ham) Ltd	0 00	352 59
Cygnnet Telecom Ltd	111 65	10 26
Filmill Engineering	51,80 75	5,180 75
ING Lease (UK) Ltd	402 04	12,438 34
JRK Computer Supplies Ltd	123 16	0 00
Metwin Engineering	14,323 25	14,323 25
Midland Fire	101 03	0 00
SEGRO (KNBC) Limited	39,004 00	51,487 99
Truscanian Foundries Ltd	2,144 75	0 00
Vodafone Ltd	114 81	24 94
BT plc	368 40	368 80
Business Telecom Solutions Ltd	143 75	0 00
The Print Room Ltd	189 75	0 00
Slough Heat & Power	1,313 75	0 00
Lewis Day Transport PLC	0 00	44 67
The Thomas Higgins Partnership	0 00	248 30
HM Revenue & Customs (VAT)	0 00	3,736 00
Premium Credit Ltd	0 00	575 50
Lloyds TSB Bank PLC	0 00	15,512 45

KINGS HEATH PATTERN CO LIMITED – IN ADMINISTRATION

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Name	Per Statement of Affairs £	Creditors' Claim £
Formcast	0 00	12,619 92
HM Revenue & Customs	24,014 60	24,014 60
Mr and Mrs Harris	13,000 00	0 00
Lloyds TSB Commercial Finance	118,743 00	0 00
BT Plc	00 00	511 30
<b>Total</b>	<b>350,703 44</b>	<b>282,430 17</b>

STATEMENT OF JOINT ADMINISTRATORS' PROPOSALS

- 1 The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration
- 2 If appropriate, the Joint Administrators file a notice with the Registrar of Companies to extend their term of office for a specified period not exceeding six months or, if they consider it appropriate, they apply to the Court for an Order that their term of office be extended for a specified period
- 3 If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation. It is further proposed that P D Masters be appointed Liquidator of the Company
- 4 In the event that there are no monies remaining to be distributed to creditors the Company be dissolved as soon as all matters relating to the Administration have been completed
- 5 The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company
- 6 The Joint Administrators be discharged from liability in respect of any action of theirs immediately upon their appointment ceasing to have effect