

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company
Eton Group Limited

Company number
03661963

In the High Court of Justice, Strand, London
[full name of court]

Court case number
5042 of 2010

We
Jane Bronwen Moriarty
KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

Allan Watson Graham
KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

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

from
29 April 2011

to
10 June 2011



Signed

Joint Administrator

Dated

16 June 2011

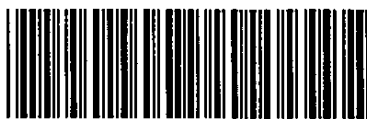
Contact Details:

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.

Lyndsay Burch KPMG LLP Arlington Business Park Theale Reading RG7 4SD DX Number	DX 146800 (Theale) 2	Tel +44 (0) 118 964 2268 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

FRIDAY



A23

A4L01V2X

17/06/2011

245

COMPANIES HOUSE



Eton Group Limited
(in administration)

Report to Creditors pursuant to Rules 2.47 and 2.110 of the
Insolvency Rules 1986 (as amended)

KPMG LLP

16 June 2011

jbm/awg/EA617E1902



Eton Group Limited (in administration)
Report to Creditors pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 (as amended)
KPMG LLP
16 June 2011

Notice: About this Report

This Report has been prepared by Jane Bronwen Moriarty and Allan Watson Graham, the Joint Administrators of Eton Group Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 (as amended) on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Eton Group Limited.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors. Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules 1986 (as amended) does so at its own risk.

To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Jane Bronwen Moriarty is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in Ireland. Allan Watson Graham is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The Joint Administrators act as agents for Eton Group Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.



Contents

Glossary	1
1 Introduction	2
2 Progress and outcome of the administration	3
3 Creditors	8
4 Investigations	8
5 Move from administration to liquidation	8

Appendices

1 Statutory information	
2 Joint Administrators' receipts and payments account for period 29 April 2011 to 10 June 2011	
3 Joint Administrators' final receipts and payments account	
4 Analysis of Joint Administrators' time costs and charge out rates	
5 Schedule of expenses	
6 Joint Administrators' proposals	



Glossary

Academy	Academy Town House Hotel Limited
Act	The Insolvency Act 1986
Administration Order	The Administration Order was granted in the High Court of Justice, Chancery Division, Royal Courts of Justice
Administrators/Liquidators	Jane Bronwen Moriarty and Allan Watson Graham of KPMG LLP
Colonnade	Colonnade Town House Hotel Limited
CVL	Creditors' voluntary liquidation
Directors	Ms Bashayer Mohammed E Al Jaber, Ms Mashael Bin Al Jaber and Mr Mohammed Bin Issa Al Jaber
Eton/Company	Eton Group Limited, registered company number 3661963
Glasshouse	The Glasshouse Hotel Limited
Group	Academy Town House Hotel Limited, Colonnade Town House Hotel Limited, Eton Group Limited, The Glasshouse Hotel Limited, Quebec Town House Hotel Limited, Threadneedle Town House Hotel Limited
Hotel-owning companies	Academy Town House Hotel Limited, Colonnade Town House Hotel Limited, The Glasshouse Hotel Limited, Quebec Town House Hotel Limited, Threadneedle Town House Hotel Limited
Quebec	Quebec Town House Hotel Limited
Rules	The Insolvency Rules 1986 (as amended)
Secured Creditor/Bank	Anglo Irish Bank Corporation Limited
Threadneedle	Threadneedle Town House Hotel Limited

The references in these proposals to Sections, Paragraphs or Rules are to the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 (as amended) respectively



1 Introduction

Creditors have previously been informed that the Administrators of the Company were appointed following an application by the Bank, as a qualifying floating charge holder, on 17 June 2010

In accordance with Rules 2 47 and 2 110, below is the Administrators' third and final progress report for the period from 29 April 2011 to 10 June 2011 This incorporates a summary of the outcome of the administration

This report follows the Administrators' report on the administrations of the Group dated 6 May 2011 which was prepared in accordance with Rule 2 112(1) to request the consent of the secured and unsecured creditors to extend the period of the administrations Although the requisite consent to extend Eton's period of the administration was not obtained, there have been significant developments in Eton's administration, namely:

- The business and assets of the entire Group have been sold in two transactions,
- The Bank has been repaid in full under its cross guarantees from the proceeds of the sales and has released its security

Therefore, it is now appropriate to move Eton into liquidation This is in line with the Administrators' proposals as modified (see section 1 1 below) As set out in these proposals, Allan Graham and Jane Moriarty will be the Joint Liquidators of the Company

1.1 Administrators' proposals

As previously reported the Administrators' proposals were circulated to all known members and creditors on 9 August 2010

In accordance with Paragraph 51, a meeting of creditors of the Company was held on 25 August 2010 at which, the Administrators' proposals were approved with the following modification

"The Company will move from Administration to Liquidation only Liquidation may be Creditors' Voluntary Liquidation in accordance with S83 Sch B1 or compulsory under R4 7(7) as the administrators deem appropriate"

A summary of the modified proposals is attached as Appendix 4



1.2 Purpose of the administration

In accordance with Paragraph 3(1) the Administrators have the following hierarchy of objectives In order these are

- rescuing the company as a going concern, or
- achieving a better result for the company's creditors as a whole than would be likely if the company was wound up without first being in administration, or
- realising property in order to make a distribution to one or more secured or preferential creditors

This administration has been conducted with a view to satisfying Paragraph 3(1)(b) being to achieve a better result for the Company's creditors as a whole than if the Company was wound up without first being in administration

2 Progress and outcome of the administration

2 1 Trading

The Administrators continued to trade Eton with the primary objective of preserving value in the individual Hotel-owning companies for the benefit of the creditors of the Group

As well as providing head office functions to the five hotels, the Administrators continued to provide support to two additional hotels outside the Group, The Scotsman and 42 The Calls, until February 2011, which had the effect of reducing the level of recharges to the Hotel-owning companies During the period of the administration, head office costs totalling £163,581, excluding VAT were recharged to 42 The Calls and The Scotsman

Threadneedle provided Eton with a £500,000 loan in order for it to pay costs incurred prior to the recharges being made Eton has repaid £425,000 of this loan The balance of the loan will be repaid to Threadneedle, in the liquidation, following receipt of Eton's next VAT refund



As previously advised, the Administrators apportioned certain costs incurred by Eton across the Hotel-owning companies. The actual trading recharges made to the five companies are as follows:

	Wages	Other costs	Total
	£	£	£
Threadneedle	1,885,201	140,944	2,026,146
Academy	562,099	104,954	667,053
Quebec	457,515	83,826	541,341
Colonnade	629,370	90,143	719,513
Glasshouse	1,047,432	104,179	1,151,610
Total	<u>4,581,617</u>	<u>524,046</u>	<u>5,105,663</u>

In recharging the costs to the individual Hotel-owning companies the Administrators have considered the nature of the individual expense lines and apportioned these either on a revenue basis, a straight line basis or where appropriate specifically to the individual companies if the costs specifically related to an individual hotel. A small uplift in respect of costs recharged was achieved by the Administrators for the benefit of the Eton creditors.

Under the apportionment clause in the asset purchase agreement there are likely to be funds due from the purchasers in respect of wages and other prepayments at the date of the sale. Any monies received under the apportionment clause will be distributed to the Hotel-owning companies on the basis all costs have been fully recharged and paid to date.

The Administrators' final receipts and payments account attached as Appendix 3, details the costs incurred and reimbursements made by to each Hotel-owning company during the course of this administration.

2.1.1 Management fee

In addition to the trading cost recharges, the Administrators have charged a total of £305,000 in management fees to the individual Hotel-owning companies to fund an element of the Administrators' time costs incurred dealing with the Company on the basis that the Hotel-owning companies obtained the benefit of this work which resulted in going concern sales being achieved. The apportionment of these costs between the Hotel-owning companies was based on the total recharge percentages.



2.2 Sale of business and assets

2.2.1 Intellectual property/goodwill

A nominal value of £8 was attributed to the intellectual property and goodwill in the business

2.2.2 Office equipment

The Administrators engaged Edward Symmons LLP to provide them with going concern and break up valuations for the office equipment located at the Threadneedle Hotel from where Eton operated

As part of the Group's sale of business and assets transactions, a consideration of £15,000 was allocated to office equipment owned by the Company. This compares to a net book value of the equipment in the directors' last filed accounts for the period ended 31 December 2008 and the directors' estimated to realise value per their statement of affairs of £15,200 and £8,777 respectively

2.2.3 Stock and work in progress

A nominal value of £2 was attributed to the stock and work in progress

2.3 Other asset realisations

2.3.1 Sundry refunds

Since the date of the Administrators' previous report there have been no further refunds relating to pre-appointment matters. Total refunds of £26,449 have been received

2.3.2 Related company debtors

There are debts of approximately £9.1 million due from related companies, which are not part of the Group. Since the previous report, the Administrators have completed a detailed exercise to obtain documentary evidence to support the debtor positions. These debts will now be pursued by the Liquidators

2.3.3 Inter-group debtors

As a result of subrogated claims arising from the repayment of the Bank's debt (see section 3.3.1) by the Hotel-owning companies, the Hotel-owning companies with the exception of Quebec, are creditors of the Company as opposed to debtors. Therefore, no debtor realisations are expected from these companies

The Administrators of Quebec anticipate that there will be sufficient asset realisations in the estate to make a distribution to its unsecured creditors. However, the quantum and timing of the distribution is not known at the current time

2.4 Costs of realisation

2.4.1 Joint Administrators' remuneration

The statutory provisions relating to remuneration are set out in Rule 2 106 Further information is given in the Association of Business Recovery Professionals' publication *A Creditors' Guide to Administrators' Fees*, a copy of which can be obtained by logging onto the R3 website at

http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20E&W.pdf

However, if you are unable to access this guide and would like a copy, please contact Lyndsay Burch on 0118 964 2268

As previously reported, at the creditors' meeting held on 25 August 2010, creditors approved the proposals that the Administrators be authorised to draw fees on account from the assets of the Company from time to time during the period of the administration based on time properly spent at KPMG LLP charge out rates that reflect the complexity of the assignment Also, that the Administrators be authorised to draw disbursements from time to time to include category two disbursements

The Association of Business Recovery Professionals' Statement of Insolvency Practice No 9 ("SIP 9") requires the Administrators to provide a detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out

An analysis of the Administrators' time costs for the Company is attached at Appendix 4, together with a schedule of charge out rates This shows that in the period 29 April 2011 to 10 June 2011, the Administrators and their staff have incurred £71,279 representing 176 hours at an average hourly rate of £405 bringing total time costs for the administration of £363,641 representing 1,081 hours at an average hourly rate of £336 This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists

The Administrators have drawn fees of £305,000 plus VAT to date It is estimated that there will be additional time costs of approximately £5,000 incurred from 10 June 2011 to bring the administration to a close Payment of the Administrators' outstanding time costs up to 10 June 2011 of £58,641 and the further time costs incurred to the close of the administration will be paid in the liquidation

2.4.2 Legal fees

Legal fees of £156,029 have been paid by the Company as follows,

- £146,029 to Berwin Leighton Paisner LLP for legal advice to relating to the sale of business and other work carried out in the administration of which £120,864 was paid during the period covered by this report



- £10,000 to Simmons and Simmons LLP for legal advice relating to the priority of certain costs

These costs have been reimbursed in full by the individual Hotel-owning companies

The Administrators estimate further legal fees of £10,000 will be payable at the conclusion of the administration of which £6,170 relates to current work in progress

2.4.3 Agents' fees

During the administration the Administrators have paid the following agents' fees

- £36,493 to CB Richard Ellis relating to the sale of business and assets
- £14,319 to Edward Symmons LLP for valuation advice relating to the fixtures, fittings and equipment within the hotels
- £6,000 to Licensed Solutions Limited for assistance with issues relating to the alcohol licenses

These costs have been reimbursed in full by the five Hotel-owning companies

2.4.4 Schedule of expenses

A schedule of expenses incurred, directly relating to this administration and during the period covered by this report, is attached as Appendix 5 This shows that the Administrators have incurred expenses for this reporting period of £87,082 of which £13,362 has been paid.

It should be noted that the trading costs and costs of realisation paid on behalf of the Hotel-owning companies have not been included in Eton's schedule of expenses as these were only paid by the Company for practical purposes and the Hotel-owning companies have put Eton in funds to cover these costs The trading costs and costs of realisation relating to the Hotel-owning companies paid and reimbursed over the course of this administration totalled c £5 1m

Additional information about the expenses incurred in the period covered by this report is available from the Administrators or Liquidators upon request by any secured creditor or any unsecured creditors with at least 5% in value of the unsecured liabilities listed Full details of the process to obtain more information under Rule 2 48A and to challenge the Administrators' remuneration and expenses under Rule 2 109 are included in Appendix 5

No requests for further information or challenges to the Administrators' remuneration and expenses have been received since of the Administrators' second progress report dated 6 May 2011



3 Creditors

3.1 Secured creditors

The Bank held a debenture dated 10 August 2007, granted by the Group, which created fixed and floating charges over the assets of the Company

The Bank's total debt due from the Group including accrued interest and charges as at 27 May 2011 was £50,085,442. Following the successful sale of Academy, Colonnade, Glasshouse and Threadneedle, the Bank was repaid in full on 27 May 2011 and released its security

3.2 Preferential creditors

Following the sale of the business and assets of the Group there are not expected to be any preferential claims as the employee related liabilities transferred to the purchasers

3.3 Unsecured creditors

The Directors' Statements of Affairs includes unsecured claims of £24,334,787 It is currently uncertain as to whether there will be sufficient funds to pay a dividend to the unsecured creditors as this depends mainly on the level of realisation achieved in respect of the related company debtors

If appropriate, the agreement of unsecured claims and payment of dividends will be completed by the Liquidators.

4 Investigations

The Administrators' have complied with their duty to investigate the Company's affairs and the directors' conduct and report our findings to the Insolvency Service, part of the Department for Business, Innovation and Skills The contents of this report are strictly confidential

5 Move from administration to liquidation

As potentially distributable assets remain in the Company, the Company will move from administration into CVL under Paragraph 83 in line with the Administrators' proposals

The Administrators will transfer the balance of funds held of £72,443 to the Liquidators shortly However, there are outstanding expenses of the administration including the accruals in the schedule of expenses attached as Appendix 5, which will be paid from these funds by the Liquidators



The outstanding matters to be dealt with by the Liquidators include

- payment of any outstanding expenses of the administration, including Administrators' remuneration (see section 2 4 1), legal fees, and any corporation tax liability for the administration period,
- repayment of the balance of the loan due to Threadneedle of £75,000,
- pursuing the related company debtors and the dividend expected from Quebec,
- agreeing claims and paying a dividend to unsecured creditors, if there are sufficient funds to facilitate a dividend to be paid to the unsecured creditors,
- complying with ongoing obligations in respect of VAT and corporation tax, and
- dealing with statutory reporting and compliance obligations

To effect the move from administration to CVL, a form 2 34B, being notice of move from administration to CVL, was sent to and registered by the Registrar of Companies on 10 June 2011. Therefore, Jane Bronwen Moriarty and Allan Watson Graham were appointed as Liquidators on 10 June 2011. In addition, the Administrators were discharged from liability in respect of any action of the Administrators also as at 10 June 2011.

Jane Bronwen Moriarty
Joint Administrator



Appendix 1

Statutory information

Trading names & trading style	Eton Group Limited
Administration Order	The Administration Order was granted in the High Court of Justice, Chancery Division, Royal Courts of Justice Case number 5042 of 2010
Date of appointment	17 June 2010
Administrators details	Jane Bronwen Moriarty is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in Ireland Allan Graham Watson is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales
Functions	The functions of the Administrators are being exercised by either or both of them in accordance with Paragraph 100(2) of Schedule B1 of the Act
Applications of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations
Company registered number	3661963
Date of incorporation	1998
Previous registered office	C/o MBI Partners UK Limited, 78-80 Wigmore Street, London W1U 2SJ
Present registered office	C/o KPMG LLP, Arlington Business Park, Theale, Reading, Berkshire RG7 4SD



Eton Group Limited (in administration)
Report to Creditors pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 (as amended)
KPMG LLP
16 June 2011

Authorised share capital	Total of shares Authorised 34053235 2091000 ordinary 10p shares 36750 A ordinary £1 shares 19325250 B ordinary £1 shares 10500000 C ordinary £1 shares 2100235 D ordinary £1 shares
Issued share capital	Total of shares issued 34053235 2091000 ordinary 10p shares 36750 A ordinary £1 shares 19325250 B ordinary £1 shares 10500000 C ordinary £1 shares 2100235 D ordinary £1 shares
Shareholders	Eton Group Holdings Limited - shares as listed above
Directors	Mr Mohammed Bin Issa Al Jaber, Ms Mashael Mohammed Bin Issa Al Jaber, Ms Bashayer Mohammed E Al Jaber
Company Secretary	Timiko Cranwell
Employees	17



Eton Group Limited (in administration)
Report to Creditors pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 (as amended)
KPMG LLP
16 June 2011

Appendix 2

Joint Administrators' receipts and payments account for the period 29 April 2011 to 10 June 2011.

Eton Group Limited
(In Administration)
Administrators' Trading Account

Statement of Affairs	From 29/04/2011 To 10/06/2011	From 17/06/2010 To 10/06/2011
POST-APPOINTMENT SALES		
SHG recharges - salaries	32,660 63	140,588 62
SHG recharges - costs	NIL	22,992 63
Threadneedle Management Fee	124,621 85	124,621 85
Glasshouse Management Fee	64,545 51	64,545 51
Academy Management Fee	40,196 28	40,196 28
Colonnade Management Fee	43,419 00	43,419 00
Quebec Management Fee	32,217 36	32,217 36
Miscellaneous income	NIL	1,456 24
	<u>337,660 63</u>	<u>470,037 49</u>
PURCHASES		
Purchases	10,465 11	NIL
Purchases (2)	121 90	NIL
	<u>10,587 01</u>	<u>NIL</u>
OTHER DIRECT COSTS		
Direct labour	(283,794 47)	134,428 60
Direct expenses	(8,980 00)	NIL
Sub contractors	(12,534 04)	0 04
	<u>305,308 51</u>	<u>(134,428 64)</u>
TRADING EXPENSES		
Travel	(449 98)	0 01
IT Support	(15,405 66)	0 01
Professional fees	(2,827 88)	NIL
Bank charges & interest	(159 54)	(23 67)
Payroll charges	(5,355 00)	NIL
Commission on sales	(3,968 97)	NIL
Advertising	(25,182 82)	NIL
Stationery & postage	(106 02)	0 03
	<u>53,455 87</u>	<u>23 62</u>
TRADING SURPLUS(DEFICIT)	<u>707,012 02</u>	<u>335,632 47</u>

Eton Group Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 29/04/2011 To 10/06/2011	From 17/06/2010 To 10/06/2011
FIXED CHARGE ASSETS		
Property rights/Patents	7 00	7 00
Goodwill	1 00	1 00
	<u>8 00</u>	<u>8 00</u>
FIXED CHARGE COSTS		
Agents'/Valuers' fees	5,298 58	NIL
	<u>5,298 58</u>	<u>NIL</u>
ASSET REALISATIONS		
Plant & machinery	15,000 00	15,000 00
340 00 Furniture & equipment	NIL	NIL
2,250 00 Motor vehicles	NIL	NIL
Stock	1 00	1 00
Stock - work in progress	1 00	1 00
10 00 Shares and investments	NIL	NIL
336,826 00 Other Debtors	NIL	NIL
21,267,732 00 Intercompany Debtors	NIL	NIL
8,437 00 IT	NIL	NIL
	<u>15,002 00</u>	<u>15,002 00</u>
OTHER REALISATIONS		
Bank interest, gross	917 32	917 32
Sundry refunds	NIL	26,448 95
Trading Surplus/(Deficit)	707,012 02	335,632 47
Intercompany Loan	(425,000 00)	75,000 00
	<u>282,929 34</u>	<u>437,998 74</u>
COST OF REALISATIONS		
Administrators' fees	305,000 00	305,000 00
Creditors Meeting expenses	(166 80)	NIL
Agents'/Valuers' fees	(10,427 29)	NIL
Legal fees	(6,224 26)	(30 02)
Wages & salaries	(151 82)	NIL
Bank charges	(28,297 25)	(0 01)
	<u>(259,732 58)</u>	<u>(304,969 97)</u>
21,615,595.00	<u>43,505 34</u>	<u>148,038 77</u>
REPRESENTED BY		
Floating ch VAT rec'able		78,895 21
Floating charge current		72,442 85
Fixed charge VAT rec'able		4,636 26
Floating ch VAT payable		(8,605 62)
Floating ch VAT control		(0 36)
Payroll Suspense		670 43
		<u>148,038 77</u>

Note



Eton Group Limited (in administration)
Report to Creditors pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 (as amended)
KPMG LLP
16 June 2011

Appendix 3

Joint Administrators' final receipts and payments account

Eton Group Limited
(In Administration)
Administrators' Trading Account

**Statement
of Affairs**

**From 17/06/2010
To 10/06/2011**

POST-APPOINTMENT RECEIPTS	
SHG recharges - salaries	140,588 62
SHG recharges - costs	22 992 63
Threadneedle management fee	124,621 85
Glasshouse management fee	64,545 51
Academy management fee	40,196 28
Colonnade management fee	43,419 00
Quebec management fee	32,217 36
Threadneedle recharges	1,981,612 19
Glasshouse Recharges	1,109 130 83
Academy Recharges	624,808 89
Colonnade Recharges	677,443 95
Quebec Recharges	499,475 29
Miscellaneous income	<u>1,456 24</u>
	5,362,508 64
HOTELS - PURCHASES	
Purchases	<u>24,439 84</u>
	(24,439 84)
HOTELS - DIRECT COSTS	
Direct labour	4 716 045 68
Direct Expenses	34,771 19
Sub contractors	<u>27,712 04</u>
	(4 778,528 91)
HOTELS - TRADING EXPENSES	
Travel	3,043 96
IT Support	44 295 15
Payroll charges	6 157 50
Commission on sales	41 991 24
Bank charges & interest	28,434 48
Stationery & postage	1,419 29
Advertising	85 424 32
Irrecoverable VAT	<u>13 141 48</u>
	(223,907 42)
OPERATING SURPLUS/(DEFICIT)	335,632 47

Eton Group Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

**Statement
of Affairs**

	FIXED CHARGE ASSETS	
	Property rights/Patents	7 00
	Goodwill	1 00
		<u>8 00</u>
	ASSET REALISATIONS	
	Plant & machinery	15,000 00
340 00	Furniture & equipment	NIL
2,250 00	Motor vehicles	NIL
	Stock	1 00
	Stock - work in progress	1 00
10 00	Shares and investments	NIL
336,826 00	Other debtors	NIL
21,267,732 00	Intercompany Debtors	NIL
8,437 00	IT equipment	NIL
		<u>15,002 00</u>
	OTHER RECEIPTS AND REALISATIONS	
	Threadneedle - costs of realisation	44,533 33
	Glasshouse - costs of realisation	42,479 60
	Academy - costs of realisation	42,244 41
	Colonnade - costs of realisation	42,068 72
	Quebec - costs of realisation	41,865 63
	Bank interest	917 33
	Sundry refunds	26 448 95
	Operating Surplus/(Deficit)	335 632 47
	Intercompany loan - Threadneedle	500 000 00
		<u>1,076,190 44</u>
	COST OF REALISATIONS	
	Administrators' fees	305,000 00
	Legal fees	156 029 48
	Professional fees	56,632 19
	Creditor meeting fees	500 00
	Intercompany loan - Threadneedle	425 000 00
		<u>(943,161 67)</u>
21,615,595 00		<u><u>148,038 77</u></u>
	REPRESENTED BY	
	Floating ch VAT rec'able	78,895 21
	Floating charge current	72,442 85
	Fixed charge VAT rec'able	4 636 26
	Floating ch VAT payable	(8 605 62)
	Floating ch VAT control	(0 36)
	Payroll Suspense	670 43
		<u><u>148,038 77</u></u>



Eton Group Limited (in administration)
Report to Creditors pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 (as amended)
KPMG LLP
16 June 2011

Appendix 4

Analysis of Joint Administrators' time costs for the period 29 April 2011 to 10 June 2011

Eton Group Limited (in administration)

Joint administrators' time cost analysis for the period 29 April 2011 to 10 June 2011

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost £	Average hourly rate £
Cashiering							
General (Cashiering)		13 10	6 80	0 20	20 10	7,390 00	367 66
Reconciliations (& Employees)	12 30			0 50	12 80	7 870 50	614 88
Correspondence		1 10	0 20		1 30	523 00	402 31
Tax							
Post appointment corporation tax		2 05	13 45		15 50	4,179 50	269 65
Post appointment PAYE		0 60			0 60	252 00	420 00
Post appointment VAT		5 90	8 05	1 40	15 35	5,339 25	347 83
Trading							
Purchases and trading costs			29 10		29 10	6,693 00	230 00
Administration & planning							
General							
Books and records				1 15	1 15	138 00	120 00
Fees and WIP				0 10	0 10	12 00	120 00
Statutory and compliance							
Checklist & reviews			0 50		0 50	115 00	230 00
Closure and related	9 00	19 50	5 30		33 80	15,134 00	447 75
Reports to debenture	3 00				3 00	2,085 00	695 00
Statutory advertising			0 45		0 45	103 50	230 00
Statutory receipts a	7 00		0 60		7 60	4,853 00	638 55
Strategy document	9 85	1 40	0 30		11 55	7,070 75	612 19
Creditors							
Creditors and claims							
General correspondence				1 70	1 70	204 00	120 00
Secured creditors		0 10			0 10	42 00	420 00
Statutory reports	8 50	3 20	7 60		19 30	8,542 00	442 59
Realisation of assets							
Asset Realisation							
Sale of business		1 00	0 90		1 90	732 00	385 26
Total in period					<u>175 90</u>	<u>71 278 50</u>	<u>405 22</u>

Brought forward time from previous report

Total time in this period

Total time to date

905 26	292,362 17
<u>175 90</u>	<u>71,278 50</u>
<u>1,081 16</u>	<u>363,640 67</u>

Disbursements

Travel

Subsistence

66 00

13 00

79 00

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 above analysis of time

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



Eton Group Limited (in administration)
Report to Creditors pursuant to Rules 2 47 and 2 110 of the Insolvency Rules 1986 (as amended)
KPMG LLP
16 June 2011

The current hourly charge-out rates for staff engaged on the Administration are as follows

	until 30 September 2010	from 1 October 2010
Partner/director	£440 - £515	£460 - £535
Management	£320 - £405	£345 - £425
Case administrators	£165 - £225	£175 - £240
Support	£105	£110

VAT staff	until 30 September 2010	from 1 October 2010
Management	£455	£385 - £565
Tax assistants	£125 - £330	£125 - £330



Appendix 5

Schedule of expenses for the period 29 April 2011 to conclusion of the administration

	Paid	Accrued	Total for period
	£	£	£
Costs of realisation			
Office holders' fees	13,362	63,641	77,003
Office holders' expenses	-	79	79
Professional fees	-	10,000	10,000
Other realisation costs	-	-	-
Sundry overheads	-	-	-
Total	13,362	83,720	87,082

Creditors are reminded that the basis upon which fees have been reported has been agreed. The quantum is supported by an analysis of time costs available for review at Appendix 4. Any additional information regarding remuneration or expenses charged for the period is available from the office holder upon request by any secured creditor or unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with Rule 2 48A. This request must be made within 21 days of receipt of the report. In addition, creditors are reminded that the quantum can be challenged by any secured creditor or any unsecured creditor(s) with at least 10% in value (including that creditor's claim) of the unsecured debt by making an application to Court in accordance with Rule 2 109 within eight weeks of receipt of this report. The full text of these rules can be provided upon request. As the Company is VAT registered, all VAT charged on expenses is recoverable, therefore no VAT has been included in the accrual figures.



Appendix 6

Administrators' modified proposals approved on 25 August 2010

The Joint Administrators propose the following

- To continue to do all such things reasonably expedient and generally exercise all their powers as Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Company in accordance with the objective as set out above
- To investigate and, if appropriate, pursue any claims the Company may have
- To seek an extension to the administration period if deemed necessary by the Administrators
- That the Joint Administrators are discharged from liability in respect of any action of theirs as Joint Administrators pursuant to paragraph 98(1) of Schedule B1 of the Act upon registration of the notice given pursuant to Paragraph 83 or 84 of Schedule B1 of the Act
- In the event of no creditors' committee being formed, that the joint administrators remuneration be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the administrations at their normal hourly rate of charging
- In the event of no creditors' committee being formed, that the Joint Administrators' be authorised to draw fees on account from the assets of the Company from time to time during the period of the administration based on time properly spent at KPMG LLP charge out rates that reflect the complexity of the assignment. Also that the Joint Administrators be authorised to draw disbursements from time to time to include category two disbursements
- That the costs of KPMG LLP in respect of forensic, tax, VAT and pension advice provided to the Administrators be based upon time costs and shall be paid out of the assets of the Company
- If funds become available for a distribution under the prescribed part that the Joint Administrators may make a distribution to unsecured creditors under the prescribed part
- In the event that Creditors' Voluntary Liquidation is deemed appropriate, the Joint Administrators be permitted to seek the appointment of Jane Bronwen Moriarty and Allan Watson Graham of KPMG LLP as Joint Liquidators of the Company, without any further recourse to creditors and that they may act jointly and severally in their duties. In accordance with paragraph 83(7) and Rule 2.117(3), creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the Proposals and before the Proposals are approved