

Rule 2 117

Form 2 34B

The Insolvency Act 1986

# **Notice of move from administration to creditors' voluntary liquidation**

**2.34B**

Name of Company Riverside Plastics Limited	Company number 02558066
In the High Court of Justice [full name of court]	Court case number 1029 of 2007

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

I / We (a) David Hill of Begbies Traynor, 5th Floor, Riverside House, 31 Cathedral Road Cardiff CF11 9HB and Kenneth Stephen Chalk of Begbies Traynor, 5th Floor, Riverside House, 31 Cathedral Road, Cardiff CF11 9HB

(b) Insert name and address of registered office of company

having been appointed administrator(s) of (b) Riverside Plastics Limited, Riverside House, Main Avenue, Treforest Industrial Estate Pontypridd CF37 5YR

(c) Insert date of appointment

on (c) 6 June 2007 by (d) the directors

(d) Insert name of applicant / appointer

hereby give notice that

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply,

(e) Insert name(s) and address(es) of liquidator(s)

and it is proposed that (e) David Hill of Begbies Traynor, 5th Floor, Riverside House, 31 Cathedral Road Cardiff CF11 9HB

will be the liquidator(s) of the Company (IP Number(s) 6904, 8425)

I / We attach a copy of the final progress report

Signed

Joint Administrator(s)

Dated 4 June 2008

## **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.

Begbies Traynor	
5th Floor, Riverside House, 31 Cathedral Road, Cardiff CF11 9HB	
Tel Number 02920 225022	
Fax Number 02920 224523	DX Number

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



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\*AZIMT0AG\*

04/06/2008

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COMPANIES HOUSE

WEDNESDAY

David Hill and Kenneth Stephen Chalk appointed joint administrators on 6 June 2007

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents

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## **Riverside Plastics Limited (In Administration)**

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### **Final Report of the joint administrators pursuant to Rules 2.47 and 2.110 of The Insolvency Rules 1986**

Period: 6 December 2007 to 4 June 2008

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## 1. COMPANY AND ADMINISTRATORS' DETAILS

Court	High Court of Justice
Court reference number	1029 of 2007
Company registered number	02558066
Registered office address	5th Floor, Riverside House, 31 Cathedral Road Cardiff CF11 9HB
Names of joint administrators	David Hill and Kenneth Stephen Chalk of Begbies Traynor, 5th Floor, Riverside House, 31 Cathedral Road Cardiff CF11 9HB
Date of administrators' appointment	6 June 2007
Person(s) making appointment/application	the directors
Changes in office holder (if any)	Kenneth Stephen Chalk retired on 30 April 2008
Acts of the joint administrators	The joint administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time
Extensions to initial period of appointment (if any)	none

## 2. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 6 June 2007 to 4 June 2008

As previously reported, the business and assets were sold to Gwalia Plastics Limited. We continued to provide assistance to HBOS in their collection of the company's book debts, who have since recovered their outstanding debt, together with termination charges, in full.

The remaining book debts, with a book value of £14,000 were re-assigned to the company. We have recovered a further £4,600 from these debts.

All assets have therefore been realised.

As previously reported, the administrators' remuneration is based on hourly costs at scale rates calculated on the time properly spent in the course of the

administration and approved by the secured and preferential creditors on 24 October 2007 pursuant to Rule 2 106 of the Insolvency Rules 1986.

Total remuneration drawn in accordance with the above approval amounts to £33,000 Total time spent on this assignment amounts to 183 85 hours at an average composite rate of £180 90 per hour resulting in total time costs to date of £33,259 50 The following further information as regards time costs and expenses is set out at Appendix 3

- Begbies Traynor policy for re-charging expenses
- Begbies Traynor charge-out rates
- Narrative summary of time costs incurred and summary by staff grade and work activity

I can confirm that on 30 April 2008, Kenneth Stephen Chalk ceased to act as joint administrator following his retirement from Begbies Traynor

### 3. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of the joint administrators' proposals as deemed approved under Rule 2 33(5) of the Insolvency Rules 1986 in the absence of an initial meeting of creditors

There have been no deviations from the proposals during the period of administration

### 4. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

All assets have been realised in line with the terms of the original proposals

Distributions to the secured creditors have been made in the following amounts

Bank of Scotland - £75,000

Finance Wales Investments Limited - £9,906

Preferential creditors amounting to £36,679 have been paid in full

Additionally, I am able to confirm compliance with all statutory matters associated with the duties and functions of the administrator

## 5. OUTCOME

I currently estimate that realisations will be sufficient to enable a dividend of approximately 3 pence in the pound to be payable to unsecured creditors in due course. It should be noted however that this is subject to the formal agreement of creditors claims once the Company has been placed into liquidation and the costs of the liquidation.

In order to allow a distribution of funds to unsecured creditors, it is now necessary to take steps to place the Company into creditor's voluntary liquidation, this exit from administration having been identified as the most appropriate route within my proposals.

It is not the duty of the Administrator to agree the claims of unsecured creditors. The duly appointed Liquidator will attend to the agreement of non-preferential claims. In addition, the Liquidator's costs of agreeing claims and making the distribution will be deducted from these sums. The Liquidator shall report further to creditors in this regard in due course.

As the Notice accompanying this report confirms, once registered by Companies House (which I anticipate shortly), my appointment as administrator will cease to have effect and the Company will be deemed to be subject to creditors' voluntary liquidation (with the former administrator acting in the capacity as liquidator) (Form 2 34 B).

Pursuant to a subsequent resolution passed by creditors by conduct of business by correspondence, the administrator is discharged from liability in respect of any actions of his as administrator, pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, with effect from the date his appointment as administrator ceases to have effect.

This is my final report as Administrator. You will receive correspondence from the Liquidator in due course.

Name

  
\_\_\_\_\_  
Administrator

Date

4 June 2008

# JOINT ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS, INCORPORATING ESTIMATED OUTCOME FOR CREDITORS

Period 6 June 2007 to 3 June 2008

	Receipts & Payments to date £	Anticipated Receipts & Payments £	Projected Outcome £
<b>ASSETS SPECIFICALLY PLEDGED</b>			
Goodwill	70,000	0	70,000
Less: Due to Fixed Charge holder - Bank of Scotland	(70,000)	(166,444)	(236,444)
Surplus (Deficiency) as regards fixed charge holder	-	(166,444)	(166,444)
Trade Debtors	475,812	-	475,812
Less: Bank of Scotland Invoice Discounting	(384,368)	-	(384,368)
Surplus (Deficiency) as regards fixed charge holder	91,444	-	91,444
Due to Bank of Scotland under group guarantee			(166,444)
			(75,000)
<b>ASSETS NOT SPECIFICALLY PLEDGED</b>			
Plant & Machinery	168,000	-	168,000
Office Equipment, Furniture, Computers & Software	2,000	-	2,000
Stock, including moulds and work in progress	10,000	-	10,000
Other receipts, including book debts	10,923	-	10,923
	190,923		190,923
<b>Payments</b>			
Administrator's disbursements	(165)	-	(165)
Administrator's fees	(31,500)	-	(31,500)
Administrator's pre appointment fee	(1,500)	-	(1,500)
Agents fees & expenses	(1,000)	-	(1,000)
Bordereau (statutory bond)	(75)	-	(75)
Legal fees	(9,928)	-	(9,928)
Statutory advertising	(194)	-	(194)
Available for preferential creditors	146,561	-	146,561
Arrears of wages and holiday pay	(36,679)	-	(36,679)
Net property	109,882	-	109,882
Prescribed part of net property set aside for unsecured creditors	(24,976)	-	(24,976)
Available for floating charge holders	84,906	-	84,906
Less: Due to Floating Charge holder - Bank of Scotland	(75,000)	-	(75,000)
Available for Finance Wales Investments Limited	9,906	-	9,906
Less: Due to Floating Charge holder - Finance Wales Investments Ltd	(79,417)	-	(79,417)
	(69,511)	-	(69,511)
<b>Summary of outcome for creditors</b>			
Fixed charge - Bank of Scotland			161,444
Fixed charge - Bank of Scotland Invoice Discounting			384,368
Preferential creditors			36,679
Prescribed part of net property set aside for unsecured creditors			24,976
Floating charge - Bank of Scotland			75,000
Floating charge - Finance Wales Investments Ltd			9,906
			692,373
Estimated unsecured creditors			838,222
Anticipated dividend for unsecured creditors			2.98%

## SUMMARY OF ADMINISTRATORS' PROPOSALS

### **Proposals deemed approved under Rule 2.33(5) of the Insolvency Rules 1986**

We considered that the objective of the administration had already largely been achieved due to the sale of the assets and transfer of the business. We considered that having sold the business and assets as a going concern in the context of an administration as an alternative to an immediate cessation of trade and liquidation of the Company, the administration has significantly enhanced the prospects for the secured, preferential and unsecured creditors.

In order that the purpose of the administration may be fully achieved, we proposed to remain in office as administrators in order to conclude the realisation of the Company's property. The principal matter to deal with in this respect was

- Collection of the company's book debts,

Following these events we proposed to finalise distributions to the secured and preferential creditors.

## JOINT ADMINISTRATORS' TIME COSTS AND EXPENSES

- a Begbies Traynor policy for re-charging expenses,
- b Begbies Traynor charge-out rates,
- c Narrative summary of time costs incurred and summary by staff grade and work activity,



## POLICY FOR RE-CHARGING EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

### INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Standard professional practice<sup>1</sup> requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

### DEFINITIONS

Required professional practice classifies expenses into two broad categories

- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges,
- *Category 2 expenses (approval required)* – all other items of expenditure
  - Which cannot, or cannot easily, be directly related to a particular insolvency case because there is an element of shared or allocated cost, and/or
  - Where the cost of the expense incurred is an estimated, unitised cost with the estimate based on external costs or opportunity cost

### CHARGING POLICY

- *Category 1 expenses (approval not required)* – with the exception of any items referred to below, all such items are re-charged to the case as they are incurred
- *Category 2 expenses (approval required)*
  - (A) The following items of expenditure are re-charged as described
    - Internal meeting room usage for the purpose of statutory meetings of creditors is re-charged at the rate of £100 (London £150) per meeting,
    - Car mileage is re-charged at the rate of 40 pence per mile,
    - Storage of books and records (when not rechargeable as a *Category 1 expense*) is recharged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,
  - (B) The following items of expenditure will normally be treated as general office overheads not subject to a re-charge
    - Telephone and facsimile
    - Printing and photocopying
    - Stationery

A re-charge may be made, however, where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*

<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) effective from April 2007

## BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions.

The rates applying to the Cardiff office as at the date of this report are as follows:

<b>Grade of staff</b>	<b>Charge-out Rate (£ per hour)</b>
Partner	305
Senior Manager	210
Manager	180
Assistant Manager	145
Senior Administrator	115
Administrator	100

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

## SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Riverside Plastics Limited
CASE TYPE	Administration
OFFICE HOLDERS	David Hill and Kenneth Stephen Chalk
DATE OF APPOINTMENT	6 June 2007

### 1 CASE OVERVIEW

- 1.1 This overview is intended to allow the body responsible for the approval of the office-holder's fees to view the quantum of those fees in the context of the case in question
- 1.2 *Complexity of the case*  
The case involves negotiations with interested parties to ensure the survival of the business as a going concern, to bring such negotiations to a successful conclusion and to deal with the other realisations to maximise recoveries to creditors
- 1.3 *Exceptional responsibilities*  
None
- 1.4 *The office-holder's effectiveness*  
The administration was necessary to ensure the survival of the business and that maximum realisations were achieved for the company's business and assets
- 1.5 *Nature and value of property in question*  
Asset values on a winding up were estimated at approximately £160,000. Realisations on a going concern basis achieved values of £250,000. A further £480,000 has been recovered from book debts
- 1.6 *Anticipated return to creditors*  
We estimate that approximately £25,000 will become available in a subsequent liquidation. Unsecured creditors are currently estimated at £838,000. This will generate a dividend of 2.98p in the pound to unsecured creditors, before the costs of the liquidation are accounted for. This represents a slight increase of 0.16p since our last report
- 1.7 *Time costs analysis*  
An analysis of time costs incurred is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case and giving the average rate charged for each work type
- 1.8 *The views of the creditors*  
Creditors were advised of our appointment immediately following our appointment. Proposals were presented to creditors to seek their approval of the administration strategy. The proposals were approved without modification
- 1.9 *Approval of fees*  
The administrators' proposals include a proposal that the administrators be remunerated on the basis of their hourly costs at scale rates calculated on the time properly spent in the course of the

administration. A resolution in respect of our fees is required to be passed by the secured and preferential creditors of the company.

*1.10 Other professionals employed & their costs*

Agents were appointed by the company prior to administration to assist in the valuation of the company's chattel assets. The appointed agents have experience in dealing with insolvency matters and are accustomed to the urgency usually associated with such situations. Their costs will be in line with the time spent on such instructions.

We have appointed solicitors to handle any matters arising from the sale of the business and any other matter arising during the course of the administration. Their costs will be in line with the time spent on such instructions.

**2 EXPLANATION OF OFFICE-HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES**

- 2.1 Begbies Traynor's policy for re-charging expenses incurred by insolvency office-holders is set out in a separate accompanying note.
- 2.2 The rates charged by the various grades of staff who may work on a case are also set out in a separate accompanying note.

**3 SUMMARY OF WORK CARRIED OUT**

- 3.1 The following is a summary of the work carried out since the date of the last report:

- Preparing and presenting statutory reports
- Dealing with matters arising out of the sale of the business
- Dealing with employees and their associated claims
- Dealing with creditors and other statutory bodies
- Complying with various statutory requirements
- Reviewing and completing the debt collection exercise

# **TIME COST ANALYSIS as at 4 June 2008**

The following table is a summary of time costs incurred by staff grade and work activity from 1 June 2007<sup>1</sup> to 4 June 2008. The joint administrators' internal time recording system was modified on 1 January 2003 to comply with a change in required professional practice<sup>2</sup> to provide more detailed time-cost information.

	Hours				Total hours	Time cost £	Average hourly rate
	Partners	Managers	Other senior professionals	Assistants & support staff			
Pre Appointment Time	5.50	-			5.50	1,668	303
Fees drawn to date						1,500	
Pre Appointment time costs carried forward						168	
Administration & Accountancy	1.65	57.00	-	33.50	92.15	15,366	167
Planning & Control	8.35		-	-	8.35	2,547	305
Fixed Charge Assets						0	#DIV/0!
Floating Charge Assets	-	3.00	-		3.00	630	210
Trading	-				-	0	#DIV/0!
Debt Collection	-	9.00		-	9.00	1,890	210
Preferential, Unsecured &	0.50	5.00		10.60	16.10	1,952	121
Employee Matters		5.25		0.25	5.50	1,128	205
Reports, SoA & Statutory returns	1.50	33.00		9.75	44.25	8,070	182
Total hours	12.00	112.25		54.10	178.35		
Total cost to date	-		-	-		31,750	178
Fees drawn to date						31,500	
Outstanding costs						250	

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<sup>1</sup> This date will pre-date the commencement of the administration if pre-appointment work has been carried out.

<sup>2</sup> Statement of Insolvency Practice 9 (SIP 9) effective April 2007.