

The Insolvency Act 1986

Administrator's progress report

Name of Company

THE SILVER FUND PLC

Company number

03832885

In the

High Court of Justice, Chancery Division, Companies Court

Court case number

1806 OF 2008

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

I / We (a) David Rubin and Asher Miller,**both of David Rubin & Partners, 319 Ballards Lane, London, N12 8LY**

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

from

to

(b) Insert dates

(b) 6 March 2008**(b) 5 September 2008**

Signed

Joint / Administrator(s)

Dated

16/10/2008.**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.

Ref **DR/AM/DRS/T945****David Rubin & Partners, 319 Ballards Lane, London N12 8LY**Tel **020 8446 8203**DX Number **57368**DX Exchange **FINCHLEY 1**

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

A08

18/10/2008

225

COMPANIES HOUSE

SATURDAY

THE SILVER FUND PLC
(IN ADMINISTRATION)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD
6 MARCH 2008 TO 5 SEPTEMBER 2008

	£	£
<u>Receipts:</u>		
Cash at bank	30 74	30 74
Cash held on appointment	<u>12,383.01</u>	<u>12,383 01</u>
		12,413.75
<u>Payments:</u>		
Specific bond	420.00	
Statutory advertising	186 22	
Professional fees	9,000.00	
Legal fees	<u>304 00</u>	
		<u>9,910.22</u>
<u>Balance at bank</u>		<u>2,503 53</u>
<u>Represented by:-</u>		£
Balance at bank		852 27
VAT receivable		<u>1,651 26</u>
		<u>2,503 53</u>

IN THE HIGH COURT OF JUSTICE

NO 1806 OF 2008

IN THE MATTER OF

THE SILVER FUND PLC - IN ADMINISTRATION

AND

THE INSOLVENCY ACT 1986

**THE JOINT ADMINISTRATORS' FIRST PROGRESS REPORT
PURSUANT TO RULE 2.47 OF THE INSOLVENCY RULES 1986
FOR THE PERIOD 6 MARCH 2008 TO 5 SEPTEMBER 2008**

THE SILVER FUND PLC – IN ADMINISTRATION

REPORT OF THE JOINT ADMINISTRATORS' ON THE PROGRESS OF THE ADMINISTRATION

INTRODUCTION

On 6 March 2008, David Rubin and Asher Miller of David Rubin & Partners, Pearl Assurance House, 319 Ballards Lane, London N12 8LY were appointed Joint Administrators' of The Silver Fund Plc ("the Company") by Silver Fund 1 Limited who hold a qualifying floating charge debenture over the assets of the Company

As the six month anniversary has recently passed, we are pleased to provide creditors with our first six month progress report as required by Rule 2 47 of the Insolvency Rules 1986. Creditors are also directed to our previous report to creditors dated 6 May 2008, which outlined the proposals for the Administration. It is suggested that this report is read in conjunction with our previous report

A schedule of information required is attached as Appendix 1.

1. REALISATIONS

1.1 Sale of business and assets

As stated in our proposal dated 1 May 2008, the Joint Administrators concluded that it would not be possible to trade the business during the Administration as the Company was making losses and there was no source of funds available to meet the trading costs that would have been incurred. It was therefore not feasible to keep the business operational whilst seeking interested parties who may have wanted to purchase the assets. The associated company Silver Fund 1 Limited (SF1) had expressed their willingness to acquire the business for fair value and it was concluded that such an arrangement would result in the best possible return to the secured creditors in the circumstances.

The Joint Administrators took steps shortly after their appointment to validate the debenture that the associated company held over the assets of the Company. Formal legal advice was provided by Butcher Burns solicitors, that the debenture under which the Joint Administrators were appointed was valid

An independent and professional firm of valuers, Hobart Associates Inc of San Francisco, California was engaged to value the Company's stock. On 18th April 2008 they reported that the marketable cash value of the stock amounted to \$503,180; approximately £250,000. There were no other physical assets belonging to the Company

Continued

THE SILVER FUND PLC – IN ADMINISTRATION
REPORT OF THE JOINT ADMINISTRATORS' ON THE PROGRESS OF THE
ADMINISTRATION

1. REALISATIONS - continued

1.1 Sale of business and assets - continued

An offer was accepted by the Joint Administrators to sell the Company's stock to SF1, for a total consideration of £600,000

As any funds generated from the sale of the assets, after costs, would have been paid to the debenture holder under its security. It was agreed that SF1 could pay for the assets by set-off against its secured indebtedness. Subject to contract, we are currently awaiting funds from SF1 to meet the costs of administration, solicitor's fees and the Joint Administrators' disbursements.

2. RECEIPTS

2.1 Cash at bank

£30 74 was recovered from the Lloyds TSB bank account operated by the Company

2.2 Cash held on appointment

This sum was paid to my firm prior to the date of Administration, specifically on account of the costs of placing the Company into Administration

3. PAYMENTS

3.1 Specific bond

The specific bond is the cost of insurance, based on the level of realisations by the Joint Administrators, as required by the Insolvency Practitioners Regulations.

3.2 Statutory advertising

The Joint Administrators are required to advertise their appointment in the London Gazette and a national newspaper. The costs of this advertising amounted to £186.22

3.3 Professional fees

The amount of £9,000 plus VAT was paid to my firm for assisting with the formalities of placing the Company into Administration

Continued.

THE SILVER FUND PLC – IN ADMINISTRATION
REPORT OF THE JOINT ADMINISTRATORS' ON THE PROGRESS OF THE
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3. PAYMENTS - continued

3.4 Legal fees

We paid £304 plus VAT to our Court Agents, Warwick Boyd & Co for filing the relevant statutory documents at the High Court of Justice enabling the Company to proceed into Administration.

4. SECURED CREDITORS

Silver Fund 1 Limited (SF1)

The Company's main finance has been provided by its associated company SF1. This lending is secured by a floating charge debenture created on 4 January 2002 and registered on 10 January 2002, securing all monies due to SF1.

The Company's indebtedness to SF1, at the date of the Joint Administrators' appointment, was £661,996. As stated in section 1.1 of this report, the assets of the business were sold to SF1 for a consideration of £600,000. This sum will be offset against the secured liability.

Other Registered Charge Holders

An overdraft facility was supplied to the Company by Lloyds TSB Bank plc and secured by way of a debenture registered on 10 October 2001. As at the date of the Joint Administrators' appointment, the Company had no borrowings from the bank and it is therefore not expected that the bank will have to rely on its security.

Prescribed Part

The provisions of section 176A of the Insolvency Act 1986 as amended, do not apply to this matter as the debenture under which the Joint Administrators' were appointed is dated prior to 15 September 2003.

5. PREFERENTIAL CREDITORS

No preferential claims have been made or are expected to rank in this matter.

Continued

THE SILVER FUND PLC – IN ADMINISTRATION
REPORT OF THE JOINT ADMINISTRATORS' ON THE PROGRESS OF THE
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6. UNSECURED CREDITORS

Based on the foregoing and based on information presently available, there is no prospect of there being any funds to pass to any liquidator who may be appointed for the benefit of the unsecured creditors.

7. JOINT ADMINISTRATORS' TIME COSTS

We have now reviewed our time costs, and would report that as at 5 September 2008 we have total time costs of £12,913 for 73 hours, which represents an average cost of £177 per hour. An analysis of this time is attached as Appendix 2

Included in the work undertaken to date by the Joint Administrators' and our staff is the following

- a) Correspondence with the SF1 for the sale of the business and assets
- b) Reporting to the Court, Companies House and the creditors following the appointment of the Joint Administrators'
- c) Correspondence and telephone conversations with various creditors regarding the progress of the Administration
- d) Arranging the insolvency practitioner's bond and submission of the bordereau
- e) Instructing solicitors to validate the debenture held by the qualifying floating charge holder
- f) Preparation and circulation of proposals to creditors pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986 and filing of the same at Court and at Companies House
- g) Obtaining and noting the claims of unsecured creditors and dealing with any correspondence therewith
- h) Preparation and submission of the Joint Administrators' report on the conduct of the directors pursuant to the requirements of the Company Directors Disqualification Act 1986

Continued

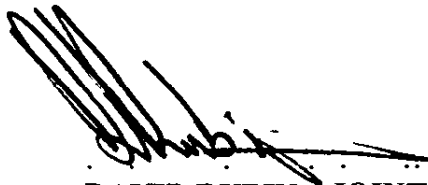
THE SILVER FUND PLC – IN ADMINISTRATION
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7. JOINT ADMINISTRATORS' TIME COSTS - continued

To date I have drawn no fees and, as there are no funds available, these will be met by the debenture holder.

8. CONCLUSION

The Joint Administrators' duties are substantially complete and the objective of the Administration has been achieved. Accordingly, once the costs of administration, legal fees and Joint Administrators' disbursements have been paid by the debenture holder and they have completed various housekeeping formalities and procedures, they will file notice with the Registrar of Companies that the Company should be struck off and dissolved. On the filing of such notice, the Administration will come to an end and the Administrators will be released.



DAVID RUBIN – JOINT ADMINISTRATOR
16 October 2008

THE SILVER FUND PLC – IN ADMINISTRATION

APPENDIX 1

Company number 03832885

Date of incorporation 27 August 1999

Directors

Name	Date appointed	Date resigned
Michael Edward James	29/03/2006	-
Christopher Andrew Joll	29/03/2006	-
Martin William Sherwood	29/03/2006	-
John Stuart Alastair Crawford	27/08/1999	01/02/2005
Adam Charles Greenwood	18/12/2002	24/03/2006
Michael Kevin Sandberg	01/02/2000	24/03/2005

Company secretary: Mr Michael Edward James

Authorised £5,000,000
Share capital 31,838,000 Ordinary Shares of 10p each and
18,162,000 Deferred Ordinary Shares of 10p each

5,204,320 Ordinary shares of 10p each and 18,162,000 Deferred Ordinary shares of 10p each are allotted, called up and fully paid

The major shareholders of the company who hold 10 % or more shareholding are as follows:

Name	Number of shares
Alastair Crawford	955,895 (Ordinary)
Fresh Water Investments	924,032 (Ordinary)
Michael Edward James	955,895 (Ordinary)
Smith & Williamson Nominees Ltd	4,716,000 (Deferred) 524,000 (Ordinary)

The remaining 91 shareholders each hold less than 10% of the issued shares, and are not individually listed in this report

Registered office.	Pearl Assurance House 319 Ballards Lane London N12 8LY
Previous registered office	1 Duke of York Street, London SW1Y 6JP
Court details.	The High Court of Justice Chancery Division, Companies Court Court Number 1806 of 2008
Joint Administrators:	David Rubin and Asher Miller of David Rubin & Partners
Joint Administrators appointment:	6 March 2008
Appointed by	Silver Fund 1 Limited, the holder of a qualifying floating charge, pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986

APPENDIX 2

<p style="text-align: center;">The Silver Fund Plc - In Administration</p> <p style="text-align: center;">JOINT ADMINISTRATORS TIME COSTS FOR THE PERIOD 6 MARCH 2008 TO 5 SEPTEMBER 2008</p> <p style="text-align: center;">SIP 9 TIME SUMMARY</p>							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Managers / Senior Managers	Administrators/ Senior Administrators	Cashiers	Total hours		
Statutory compliance admin and planning	00 00	04 00	33 48	01 30	39 18	5,013 00	127 56
Investigations	00 00	03 30	08 42	00 00	12 12	1,884 00	154 43
Realisations of assets	11 54	00 00	00 00	00 00	11 54	4,522 00	380 00
Creditors	00 00	04 00	05 36	00 00	09 36	1 494 00	155 63
Total hours and costs	11 54	11 30	48 06	01 30	73 00	12 913 00	176 89

The above headings include *inter alia*

Administration and Planning

case planning
appointment notification
maintenance of records
statutory reporting and compliance
tax and VAT

Realisation of Assets

identifying and securing assets
debt collection
property, business and asset sales

Investigations

SIP2 review
reports pursuant to Company Directors Disqualification Act 1986
investigating antecedent transactions

Creditors

communications with creditors
creditors claims (including secured creditors, employees and preferential creditors)

Chargeout rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the current hourly chargeout rates applicable to this appointment, exclusive of VAT, are as follows

	£
Partners/Office Holders	280-380
Managers/Senior Managers	200-240
Administrators/Senior Administrators	90-120
Cashiers	90-120

Chargeout rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance

Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include but are not limited to such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case

Indirect expenses ("Category 2 disbursements")

It is normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP 9) to the case, where appropriate

Postage and stationery circulars to creditors

Headed paper	25p per sheet	Envelopes	25p each
Photocopying	6p per sheet	Postage	Actual cost

Meeting Costs. Use of Meeting Room is charged at £150 per session

Storage and Archiving

We use a commercial archiving company for storage facilities for company's records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £30 per hour

Mileage incurred as a result of any necessary travelling is charged to the estate at the Inland Revenue approved rate, currently 40p per mile