

The Insolvency Act 1986

**Notice of move from
administration to dissolution****2.35B**

Name of Company

The Silver Fund Plc -
In Administration

Company number

03832885

In the
High Court

(full name of court)

Court case number
1806 of 2008(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a) Asher Miller and Paul Appleton of David
David Rubin & Partners LLP
Pearl Assurance House
319 Ballards Lane
London
N12 8LY(b) Insert name and
address of
registered office of
companyhaving been appointed administrator(s) of (b) The Silver Fund Plc - In Administration Pearl
Assurance House 319 Ballards Lane London(c) Insert date of
appointment
(d) Insert name of
applicant/appointor

on (c) 6 March, 2008 by (d) Qualifying Floating Chargeholder

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(s)

Dated

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 recordDavid Rubin
David Rubin & Partners LLP
Pearl Assurance House
319 Ballards Lane
London
N12 8LY

DX Number

020 8343 5900
DX ExchangeWhen 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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COMPANIES HOUSE

TUESDAY

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

**JOINT ADMINISTRATORS FINAL PROGRESS REPORT
PURSUANT TO RULE 2.110 OF THE INSOLVENCY RULES 1986
FOR THE PERIOD 6 MARCH 2008 TO 5 AUGUST 2009**

JOINT ADMINISTRATORS' FINAL PROGRESS REPORT

UNDER RULE 2.110

OF THE INSOLVENCY RULES 1986

As required by Rule 2.110 of the Insolvency Rules 1986 ("the Rules") we, Asher Miller and David Rubin, the Joint Administrators of Silver Fund Plc ("the Company"), report on the progress of the Administration from 6 March 2008 to 5 August 2009. Creditors are also directed to our previous reports to creditors dated 6 May 2008, 16 October 2008 and 6 April 2009. It is suggested that this report is read in conjunction with our previous reports.

Rule 2.47(1)

(a) **Court:** High Court of Justice

Reference Number: No 1806 of 2008

(b) **Company name:** The Silver Fund Plc

Company number: 03832885

Registered office: Pearl Assurance House, 319 Ballards Lane, London N12 8LY

(c) **Administrators' names and address:**

Asher Miller and David Rubin of David Rubin & Partners were appointed Joint Administrators of The Silver Fund Plc ("the Company") on 6 March 2008. This appointment was made by The Silver Fund 1 Limited, the holder of a Qualifying Floating Charge, pursuant to paragraph 14 of Schedule B1 to the Insolvency Act 1986

The Joint Administrators act jointly and severally in the exercise of any and all functions exercisable by an administrator appointed under the provisions of Schedule B1 of the Insolvency Act 1986.

(d) **Details of any extensions to the initial period of appointment:**

The Administration was extended for a period of five months from 6 March 2009 to 5 August 2009, with the consent of the secured creditor, Silver Fund 1 Limited.

(e) **Details of progress for the period 6 March 2008 to 5 August 2009:**

As stated in my 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.

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.

2.3 Bank interest gross

Interest earned on the funds in hand amounts to £19.69

2.4 Third party funds

This represents funds paid on account by the debenture holder to assist in meeting the costs of the Administration procedure.

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. A sum of £2,500 plus VAT was paid to Sylvester Ameil Lewin & Horne for their work in preparing the Asset Sale Agreement.

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.

3.5 Office Holders fees

We have now reviewed our time costs, and would report that as at 31 July 2009 we have total time costs of £36,206 plus VAT for 181.6 hours, which represents an average cost of £199.37 per hour. An analysis of this time is attached as Appendix 2. To date, I have drawn fees of £7,000 plus VAT and have outstanding costs of £28,706 plus VAT. It should be noted that time costs and expenses incurred in closing this case have not yet been calculated and will be drawn from funds remaining in the case. However, any costs and expenses that cannot be covered from funds in the case will in accordance with the terms of the Sales Agreement, have to be met by Silver Fund 1 Limited and Mr Michael James who has personally guaranteed to undertake the costs of the Joint Administrators up to a maximum of £42,500 plus VAT.

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

- a) Correspondence with Silver Fund 1 Limited 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.
- i) Preparing the relevant VAT returns for the claiming of VAT spent as a cost of the 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 in this matter.

6. UNSECURED CREDITORS

There is no prospect of there being any funds to pass to a liquidator who may be appointed for the benefit of the unsecured creditors.

Rule 2.110(2)

I set out in my report dated 1 May 2008, the Joint Administrators Proposals and these are reproduced below:-

JOINT ADMINISTRATORS' FORMAL PROPOSALS

1. That we continue to seek a buyer for the assets of the Company on the best terms obtainable, subject to the consent to the secured creditor.
2. That we continue to permit SF.com to exhibit and offer for sale items of stock pending a completion of a sale of the whole of the stock and that SF.com account to the Joint Administrators for the proceeds thereof.
3. That we continue the Administration to deal with such outstanding matters in relation to the Company as we consider necessary until such time as the Administration ceases to have effect.

The Silver Fund Plc – In Administration
Joint Administrator's Final Progress Report

4. That we do all such other things and generally exercise all of our powers as contained in Schedule 1 of the Insolvency Act 1986, as we, in our sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration.
5. That, if we deem it necessary, we can seek an extension to the administration period.
6. That once all outstanding matters have been satisfactorily completed by us, we will take the necessary steps to give notice to the Registrar of Companies to the effect that the Company has no property which might permit a distribution to its creditors, at which stage the Administration will cease.
7. That the Joint Administrators shall have the authority to sanction and agree the fees of any solicitors, or other agents by reference to the time given by such agents and their staff in attending to matters arising in the Administration.

(c) The steps taken during the Administration

As detailed above.

(d) The outcome

The Joint Administrators' duties are complete and the objective of the Administration has been achieved. The only matter that is outstanding is that of the Joint Administrator's time costs and expenses. The deadline for the buyer to make full and final payment is 5 September 2009 and I will write to Silver Fund 1 Limited and Mr Michael James requesting payment, in due course. On the basis that all other matters have now been resolved, I have filed notice with the Registrar of Companies that the Administration has come to a close. The Company will be dissolved three months after the date of the notice being filed.

We trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact my colleague, David Stephenson.



ASHER MILLER – JOINT ADMINISTRATOR
6 AUGUST 2009

Appendix 1
THE SILVER FUND PLC
JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FROM 6 MARCH 2008 TO 5 AUGUST 2009

	<u>Realised</u> <u>to-date</u> <u>£</u>
Receipts	
Cash at bank	30.74
Cash held on appointment	12,383.01
Bank interest gross	19.69
Third party funds	7,500.00
	<u>19,933.44</u>
Payments	
Specific bond	420.00
Statutory advertising	186.22
Office holders fees	7,000.00
Professional fees	11,500.00
Legal fees	304.00
	<u>19,410.22</u>
Receipts less Payments	<u><u>523.22</u></u>
Represented by:-	
Balance at bank	148.22
VAT reclaim	375.00
	<u><u>523.22</u></u>

APPENDIX 2

THE SILVER FUND PLC - IN ADMINISTRATION JOINT ADMINISTRATOR'S TIME COSTS FOR THE PERIOD 6 MARCH 2008 TO 31 JULY 2009 SIP 9 TIME SUMMARY							
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	00:30	25:18	60:24	04:18	90:30	13,982.00	154.50
Investigations	01:00	18:30	12:30	00:06	32:06	6,054.00	188.60
Realisations of assets	13:42	18:12	00:00	00:00	31:54	10,656.00	334.04
Creditors	00:30	19:00	07:36	00:00	27:06	5,514.00	203.47
Total hours and costs	15:42	81:00	80:30	04:24	181:36	36,206.00	199.37

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	300-395
Managers/Senior Managers	220-260
Administrators/Senior Administrators	110-140
Cashiers	100-120

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 HM Revenue & Customs approved rate, currently 40p per mile.