

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company RIVERTIME RESTAURANTS LIMITED	Company number 04872352
In the High Court of Justice Manchester District Registry Chancery Division <small>[full name of court]</small>	Court case number 2426 of 2010

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

I/We (a) J M Titley & A Poxon of Leonard Curtis, Hollins Mount,
Hollins Lane, Lancashire BL9 8DG

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

(b) Insert dates	from (b) 27 October 2010	to (b) 26 April 2011
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Signed

J M Titley
 Joint Administrator(s)

Dated

10 May 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

Leonard Curtis	
Hollins Mount, Hollins Lane, Lancashire BL9 8DG	
Ref MD/19	Tel 0161 767 1250
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



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COMPANIES HOUSE

WEDNESDAY



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

RIVERTIME RESTAURANTS LIMITED
(IN ADMINISTRATION)

Registered Number: 04872352
Court Ref: 2426 of 2010
Manchester District Registry

**Joint Administrators' first progress report in accordance with Rule 2.47 of the
Insolvency Rules 1986**

Report period
27 October 2010 to 26 April 2011

10 May 2011

LEONARD CURTIS
Hollins Lane, Bury, BL9 8DG
Tel 0161 767 1250 Fax 0161 767 1240
Ref K/20/MD/NC765K/1010

RIVERTIME RESTAURANTS LIMITED – IN ADMINISTRATION

CONTENTS

- 1 Introduction
- 2 Statutory Information
- 3 Joint Administrators' Proposals
- 4 Progress of the Administration
- 5 Assets Still to be Realised
- 6 Joint Administrators' Remuneration
- 7 Estimated Outcome for Creditors
- 8 Extensions to the Administration
- 9 Next Report

APPENDICES

- I Summary of Joint Administrators' Proposals
- II Summary of Joint Administrators' Receipts and Payments Account for the Period from 27 October 2010 to 26 April 2011
- III Summary of Joint Administrators' Time Costs for the current period
- IV Additional Information in Relation to the Policy of Leonard Curtis regarding Fees and Disbursements
- V Statement of Claim form

RIVERTIME RESTAURANTS LIMITED – IN ADMINISTRATION

**STRICTLY PRIVATE AND CONFIDENTIAL
NOT FOR PUBLICATION**

**TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL MEMBERS**

1 INTRODUCTION

- 1 1 This report has been produced in accordance with Rule 2 47 of the Insolvency Rules 1986 to provide creditors with an update on the progress of the Administration of Rivertime Restaurants Limited ("the Company") for the period from 27 October 2010 to 26 April 2011

2 STATUTORY INFORMATION

- 2 1 A Poxon and J M Titley were appointed as Joint Administrators of Rivertime Restaurants Limited ("the Company") in the jurisdiction of Manchester District Registry, number 2426 of 2010 on 27 October 2010. The administration appointment was made by the directors.
- 2 2 The administration is being handled by the Bury office of Leonard Curtis, which is situated at Hollins Lane, Bury, BL9 8DG.
- 2 3 The trading address of the Company is Unit 6 Mercia Square Shopping Centre, Frodsham Street, Chester and Llanbedr Dyffryn Clwyd, Ruthin, Clwyd, Denbighshire.
- 2 4 The Company's registered office was changed from 4 Northern Diver Building, Appley Lane North, Appley Bridge, Wigan, WN6 9AE to Hollins Mount, Hollins Lane, Bury, Lancashire, BL9 8DG on 8 November 2010. The registered number is 04872352.
- 2 5 For the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as amended), it should be noted that during the period in which the Administration Order is in force, any act or function required or authorised under any enactment to be done by the Administrator may be exercised by all or any of the persons holding that office.
- 2 6 The Company's main centre of operation is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

3 JOINT ADMINISTRATORS' PROPOSALS

- 3 1 Attached at Appendix I is a summary of the Joint Administrators' approved proposals for achieving one of the three statutory purposes of Administration.
- 3 2 The Proposals were deemed approved on 6 January 2011.
- 3 3 The objective of the administration is to realise property in order to make a distribution to one or more secured or preferential creditors.
- 3 4 This objective has already been achieved as a payment of £60,000.00 has already been made to the secured creditor.

4 PROGRESS OF THE ADMINISTRATION

4.1 Attached at Appendix II is the Joint Administrators' receipts and payments account for the period from 27 October 2010 to 26 April 2011

4.2 Sale of Business

Prior to and upon appointment, the administrators investigated the possibility of concluding a sale of the business and assets as it was considered that a sale of all or part of the business as a going concern would allow the following

- Enhanced asset values,
- The potential of customer continuity and resultant improved debtor collections,
- Minimise preferential creditor claims,
- Mitigate any finance creditor shortfall

An offer of £90,000.00 for the business and assets was made by The Clwyd Gate Restaurant Limited ("the Purchaser") to the proposed Administrators. The Purchaser is a connected party as William Mapstone, a secured creditor of the Company, is a director and shareholder of the Purchaser. The consideration of £90,000.00 was apportioned as follows

Category of asset	Value achieved £
Goodwill	50,000
Equipment	29,997
Stock	2,500
Contracts	1
Work-in-Progress	1
Benefit of Claims against any Employee	1
The GAL assets	7,500
Total	90,000

Following advice from our appointed agents, Charles Taylor, who had carried out valuations of the Company's physical assets and goodwill, this offer was accepted and the sale was concluded on 27 October 2010. It should be noted that the GAL assets were not sold on a going concern basis as the restaurant had closed prior to the date of administration.

I can advise that a sum of £6,000 remains outstanding. We are currently in discussions with the purchaser and anticipate that the balance will be received shortly.

4.3 Balance at Bank

At the date of our appointment, the Company's bank account was in credit. I can advise that a sum of £7,175.80 has subsequently been received.

4.4 Debtors

Since our appointment, a sum of £624.00 has been received in respect of monies due to the Company.

No further realisations are anticipated.

RIVERTIME RESTAURANTS LIMITED – IN ADMINISTRATION

4 5 Sundry Refunds and Interest

A sum of £780 07 has been received in respect of sundry refunds

Bank interest in the sum of £15 58 has also been received

5 ASSETS STILL TO BE REALISED

5 1 The only asset which remains outstanding is the balance of the sales consideration detailed at 4 2 above

6 JOINT ADMINISTRATORS' REMUNERATION

Pre-Administration Costs

6 1 On this assignment the Joint Administrators have used the professional advisors listed below

Name of Professional Advisor	Service Provided	Basis of Fees
Turner Parkinson LLP	Legal advice	Time costs
Charles Taylor	Asset & goodwill valuation advice	Time costs

The secured creditor approved our pre-appointment fees on 6 January 2011 and are detailed below

Charged by	Services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Leonard Curtis	Advising on the financial position, options available and consideration of the offer of the business and negotiations of the sale to The Clwyd Gate Restaurant Limited	£3,787	Nil	n/a	£3,787
Charles Taylor	Valuation of tangible assets & goodwill	£3,500	£3,500	Administrators	Nil
Turner Parkinson LLP	Dealing with sale contract	£3,530	£3,530	Administrators	Nil

Administrators' Remuneration

6 2 The time charged by the Joint Administrators' for the period of this report amounts to £22,230 50 This represents 95 7 hours at an average rate of £232 29 per hour Attached at Appendix III is a time analysis which provides details of the activity costs incurred by staff grade during this period, along with a description of the work done by the Joint Administrators and their staff in respect of which the time has been charged

6 3 £20,000 00 has been drawn to date in respect of these time costs

RIVERTIME RESTAURANTS LIMITED – IN ADMINISTRATION

- 6.4 The Joint Administrators have also incurred expenses during the period of this report. These expenses are detailed in the table below, which also indicates whether these expenses have yet been paid from the case funds.

Nature of expenses	By whom provided	Amount incurred this period £	Total amount incurred to date £	Amount paid £	Amount unpaid £
Advertising	Courts Advertising	75 60	75 60	Nil	75 60
Solicitors' fees	Turner Parkinson LLP	1,834 00	1,834 00	1,834 00	Nil
IP bond	Locktons	40 00	40 00	Nil	40 00
Client identification checks	Business Tax Centre Ltd	9 95	9 95	Nil	9 95
Companies House searches	Companies House	5 00	5 00	Nil	5 00
Licence Fee	Pelstar Computing	75 00	75 00	75 00	Nil

- 6.5 Attached at Appendix IV 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.
- 6.6 Unsecured creditors whose debts amount to at least 5% of the total value of the unsecured claims, or any secured creditor, may request further information regarding remuneration or expenses (other than pre administration costs) by submitting their written requests before 3 June 2011.
- 6.7 In addition, unsecured creditors whose debts amount to at least 10% of the total value of the unsecured claims, or any secured creditor, may apply to court, if they believe the remuneration charged or expenses incurred by the Joint Administrators to be excessive or the basis fixed for the Joint Administrators' remuneration to be inappropriate. Any application should be made within 8 weeks of receipt of this report.

7 ESTIMATED OUTCOME FOR CREDITORS

7.1 Secured Creditors

William Mapstone

William Mapstone holds a debenture, dated 10 May 2010 and registered on 14 May 2010, creating fixed and floating charges over the Company's assets. William Mapstone provided loans to the Company for the purposes of acquiring and outfitting the GAL and Clwyd Gate restaurants and at the date of appointment was owed £125,000. To date, William Mapstone has received a payment of £50,000 in respect of goodwill under the terms of his fixed charge. A further payment of £10,000 has been paid under the floating charge.

It is not anticipated that realisations will be sufficient to enable any further distributions to William Mapstone.

Royal Bank of Scotland plc ("RBS")

RBS holds a debenture, dated 14 May 2010 and registered on 19 May 2010, creating fixed and floating charges over the Company's assets. RBS provided banking services to the Company, including an overdraft facility. On our appointment, the Company's current account was in credit and therefore RBS have no claim in the administration.

7.2 Preferential Claims

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay. The GAL closed prior to the date of administration and all employees were paid up until the date of dismissal.

A going concern sale of the business and assets of the Clwyd Gate was subsequently concluded on the date of appointment and all contracts of employment were transferred over to the buyer on the same day. Consequently, no preferential claims have been received.

7.3 Prescribed Part

The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, the administrator must make a *prescribed part* of the company's net property available to the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.

As the floating charge distribution in this matter is not anticipated to exceed £10,000 and the costs in making a distribution to the unsecured creditors would be disproportionate to the benefits, there is no requirement to calculate a prescribed part.

7.4 Unsecured Non-Preferential Claims

I can advise that it is not anticipated that there will be sufficient realisations to enable a distribution to unsecured creditors. This statement is being made in accordance with paragraph 52(1)(b) of Schedule B1 to the Act. Creditors should however continue to submit details of their claims using the statement of claim form attached at Appendix V. These claims will be collated and passed to any subsequently appointed Liquidator in due course.

8 EXTENSIONS TO THE ADMINISTRATION

8.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.

8.2 In certain circumstances it may be necessary to extend the Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding six months with the consent of

- each secured creditor of the Company

8.3 The appropriate body of creditors will be contacted in due course should an extension be required.

9 NEXT REPORT

- 9.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised

If you wish to discuss the issues raised in this report or require any additional information please contact this office

For and on behalf of
RIVERTIME RESTAURANTS LIMITED



A POXON
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' PROPOSALS

It is proposed that

- 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 take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company
- 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 A Poxon and/or J M Titley be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved
- 4 In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved
- 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 Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that A Poxon and/or J M Titley be appointed (Joint) Liquidator(s) of the Company
- 7 The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM
27 OCTOBER 2010 TO 26 APRIL 2011

	Statement of Affairs £	Received to date £
RECEIPTS		
Equipment	29,997	26,500 00
GAL Assets	7,500	7,500 00
Contracts	1	-
Work in Progress	1	-
Benefit of Employee Claims	1	-
Stock	2,500	-
Debtors	-	624 00
Balance at Bank	7,000	7,175 80
Sundry Refunds	-	780 07
Interest	-	15 58
Goodwill	50,000	50,000 00
	<u>97,000</u>	<u>92,595.45</u>
PAYMENTS		
Administrators' Remuneration	-	(20,000 00)
Agents' Fees and Expenses	-	(3,500 00)
Solicitors Fees and Expenses	-	(5,364 00)
Sundry Expenses	-	(75 00)
		<u>(28,939.00)</u>
DISTRIBUTIONS		
William Mapstone		(60,000 00)
BALANCE IN HAND		<u>3,656.45</u>

RIVERTIME RESTAURANTS LIMITED – IN ADMINISTRATION

APPENDIX III

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE CURRENT PERIOD

	Director		Senior Manager		Manager 1		Manager 2		Administrator 1		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	5	197 50	6	210 00	2	60 00	5	130 00	87	1,827 00	22	264 00	127	2,688 50	211 69
Receipts & Payments	-	-	-	-	-	-	-	-	46	966 00	-	-	46	966 00	210 00
Insurance and Pension	-	-	-	-	-	-	-	-	1	21 00	-	-	1	21 00	210 00
Assets	-	-	24	840 00	-	-	35	910 00	19	399 00	-	-	78	2,149 00	275 51
Liabilities	-	-	11	385 00	-	-	-	-	307	6,447 00	10	120 00	328	6,952 00	211 95
Landlords	18	711 00	19	665 00	-	-	-	-	13	273 00	2	24 00	52	1,673 00	321 73
Debenture Holder	-	-	-	-	-	-	-	-	12	252 00	-	-	12	252 00	210 00
General Administration	4	158 00	-	-	-	-	-	-	94	1,974 00	14	168 00	112	2,300 00	205 36
Appointment	-	-	-	-	-	-	-	-	93	1,953 00	-	-	93	1,953 00	210 00
Planning & Strategy	-	-	-	-	-	-	-	-	15	315 00	-	-	15	315 00	210 00
Post Appointment Credits Mtngs	-	-	72	2,520 00	-	-	-	-	17	357 00	-	-	89	2,877 00	323 26
Investigations	-	-	-	-	-	-	-	-	4	84 00	-	-	4	84 00	210 00
Total	27	1,066 50	132	4,620 00	2	60 00	40	1,040 00	708	14,868 00	48	576 00	957	22,230 50	
Average Hourly Rate (£)		395 00		350 00		300 00		260 00		210 00		120 00		232 29	

All units are 6 minutes

DESCRIPTION OF TIME SPENT BY CATEGORY

Statutory and Review

This involved undertaking regular reviews of the case file to ensure all matters were being progressed and statutory requirements were met

Receipts and Payments

This involved reviewing the cash receipts, payment and VAT position

Insurance and Pension

This involved undertaking the necessary statutory checks and notifications with regards to Company pension schemes

Assets

This involved monitoring the deferred consideration and dealing with ROT assets

Liabilities

A significant portion of time was spent dealing with creditor queries from trade creditors by post, telephone and email

Landlords

This included entering correspondence with the landlord with regards to various leases

Debenture Holder

This involved updating the secured creditor on the progress of the administration and payments under its security

General Administration

This includes setting up the case file and engaging in general correspondence. Further time has been spent in relation to the Company records

Appointment

This involved notifying creditors and all relevant parties of our appointment as administrators including complying with statutory requirements

Post Appointment Creditors' Meetings

Time was spent preparing and reviewing the Joint Administrators' proposals and report that was sent to all known creditors

Investigations

Time was spent preparing and submitting the statutory report regarding the directors' conduct to The Insolvency Service

ADDITIONAL INFORMATION IN RELATION TO THE POLICY OF LEONARD CURTIS REGARDING FEES AND DISBURSEMENTS

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. With effect from 1 January 2010 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis.

Partner	£395
Senior Manager	£350
Manager 1	£300
Manager 2	£260
Administrator 1	£210
Administrator 2	£190
Administrator 3	£170
Administrator 4	£120
Support	£0

Details of any subcontractor(s) used will be reported to creditors.

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	Service Provided	Basis of Fees
Turner Parkinson LLP	Legal advice	Time costs
Charles Taylor	Asset & Goodwill valuation advice	Time costs

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.

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". In the event of charging for category 2 disbursements 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 part thereof	£100 per 100 creditors/ members or
Storage of office files (6 years)	£66.09 per box

STATEMENT OF CLAIM FORM

Date of administration order: 27 October 2010

Name of creditor:

Address of creditor:

Gross amount of claim.
(ie including VAT)

Amount of VAT

Details of any document by
reference to which the debt can be
substantiated:
(eg invoices)

Particulars of how and when debt
incurred.

Particulars of any security held, the
value of the security and the date it
was given.

Signature of creditor or person
authorised to act on his behalf:

Name in BLOCK CAPITALS:

Position with or relation to creditor:
