

The Insolvency Act 1986

Notice of result of meeting of creditors

2.23B

Name of Company RD Retail Solutions Limited	Company number 04982249
In the High Court [full name of court]	Court case number 1732 of 2011

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

I/ We, (a) Lloyd Biscoe and Wayne Macpherson, both of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea SS1 2EG

* Delete as applicable

~~hereby report that *a meeting / an adjourned meeting of the creditors of the above company was held at~~

(b)

Business of meeting conducted by correspondence pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986 and Rule 2.48 of the Insolvency Rules 1986

(b) Insert place of meeting
(c) Insert date of meeting
* Delete as applicable

~~on~~ (c) Closing date specified in Form 2.25B of 12.00 hours on 28 April 2011
at which

*1 Proposals ~~/ revised proposals~~ were approved

~~*2 Proposals / revised proposals were modified and approved~~

~~The modifications made to the proposals are as follows~~

(d) -

(d) Give details of the
modifications (if any)

~~*3 The proposals were rejected~~

~~*4 The meeting was adjourned to (e)~~

(e) Insert time and date of
adjourned meeting

*5 Other resolutions (f)

(f) Details of other resolutions
passed

(1) "That the joint administrators' remuneration be fixed by reference to the time properly given by the joint administrators (as administrators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the administration"

Form 2 23B continued

THURSDAY



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COMPANIES HOUSE

- (2) "That the joint administrators be authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with their firm's policy, details of which accompanied *The Statement of Proposals of the Joint Administrators for Achieving the Purpose of the Administration pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986*"
- (3) "That the joint administrators' unpaid pre-administration costs in the total sum of £9,467 50 plus VAT and disbursements detailed in the statement of pre-administration costs contained in the joint administrators' Statement of Proposals, be approved for payment "
- (4) "That the joint administrators' be discharged from liability in respect of any actions of theirs as administrators, pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, with effect from the date their appointment as joint administrators ceases to have effect "

The revised date for automatic end to administration is

*Delete as applicable

A creditors' committee ~~was~~ / was not formed

Signed

Joint / Administrator(s)

Dated

03/05/11

*Delete as applicable

A copy of the *original proposals / ~~modified proposals~~ / ~~revised proposals~~ is attached for those who did not receive such documents prior to the meeting

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.

Beggies Traynor (Central) LLP	
The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG	
	Tel Number 01702 467255
Fax Number 01702 467201	DX Number

Companies House receipt date barcode

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

08 April 2011

**PRIVATE & CONFIDENTIAL
TO ALL CREDITORS**

Our Ref RD001ADM/LCB/WM/
JXH/DCF/ADM1007P
Your Ref
Contact David Farmer

Dear Sirs

RD RETAIL SOLUTIONS LIMITED (In Administration) ("the Company")
Re: Meeting of creditors to consider the administrators' proposals

As you are aware, the Company entered into administration in accordance with the provisions of paragraphs 22 of Schedule B1 to the Insolvency Act 1986 on 11 March 2011

I enclose the following documents

- 1) A report of the administrators' statement of proposals pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986,
- 2) Formal Notice of conduct of business by correspondence (Form 2.25B) in accordance with paragraph 58 of Schedule B1 to the Insolvency Act 1986 and Rule 2.48 of the Insolvency Rules 1986,
- 3) Formal Resolutions
 - for/against the administrators' proposals
 - the basis of the administrators' remuneration
 - the basis of the administrators' disbursements
 - the basis of the administrators' Pre-administration costs
 - for/against the administrators' discharge from liability

To register your vote, please return the completed Form 2.25B no later than 28 April 2011. When returning form 2.25B, please enclose a statement supporting your claim.

Your attention is drawn to the provisions of Rule 2.48(7) of the Insolvency Rules 1986 which enables creditors whose debts amount to at least 10% of the total debts of the Company to requisition such a meeting within 5 days from the date of this letter.

Yours faithfully
For RD Retail Solutions Limited


Lloyd Biscoe
Joint Administrator
Enc

The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG
T 01702 467255 F 01702 467201 E southend@begbies-traynor.com W. www.begbies-traynor.com

Begbies Traynor is a trading name of Begbies Traynor (Central) LLP, a limited liability partnership, registered in England No OC308540, registered office 340 Deansgate, Manchester, M3 4LY

Lloyd Biscoe and Wayne Macpherson are licensed in the United Kingdom to act as Insolvency Practitioners by the Insolvency Practitioners Association

Any reference to a partner is to a member of the limited liability partnership. A list of partners is available for inspection at the registered office. A member of the Begbies Traynor Group, Specialist Professional Services www.begbies-traynorgroup.com

Partners, Directors and Consultants acting as administrators or administrative receivers contract as agents and without personal liability

Lloyd Biscoe and Wayne Macpherson were appointed as joint administrators on 11 March 2011

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

RD Retail Solutions Limited (In Administration)

Statement of proposals of the joint administrators for achieving the purpose of the administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986

Important Notice

The administrators' statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	RD Retail Solutions Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Insolvency Act 1986 on 11 March 2011
"the administrators"	Lloyd Biscoe and Wayne Macpherson, both of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	RD Retail Solutions Limited	
Trading name(s)	N/A	
Date of Incorporation	2 December 2003	
Company registered number:	04982249	
Company registered office:	The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG	
Former registered office	Matrix House, 12-16 Lionel Road, Canvey Island, Essex, SS8 9DE	
Trading address(es) (or attach a separate sheet if more than one)	Caswell Road, Brackmills, Northampton, NN4 3PW Unit 13, Arena 14 Business Park, Bicester, OX26 4ST	
Principal business activities	Supplier of direct labour	
Directors and details of shares held in the Company (if any)	Name	Shareholding
	Peter Edward Jenkinson	50 Ordinary Shares
	Anthony Robert Haylock	-
	Daniel James Chittenden	-
Company Secretary and details of the shares held in Company (if any)	Name	Shareholding
	Anthony Robert Haylock	-
Accountants	Maynard Heady	
Share capital	100	
Shareholders	Peter Jenkinson	50 Ordinary Shares
	David Mason	50 Ordinary Shares

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators	Lloyd Biscoe and Wayne Macpherson, both Licensed Insolvency Practitioners of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG
Date of administrators' appointment	11 March 2011
Date of administrators' resignation	N/A

Court	High Court
Court Case Number	1732 of 2011
Person(s) making appointment / application	Peter Jenkinson (director)
Acts of the administrators	The 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.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows

- "3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
 - (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole "

4. CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF ADMINISTRATORS

The company provided contract staff and merchandisers to major store groups and suppliers. The company held contracts with parties such as Sainsbury, Asda, Mornsons, Somerfield and Homebase.

The company was incorporated on 2 December 2003. 12 full time staff and 111 weekly staff were employed by the company, which traded primarily from premises located at Caswell Road, Brackmills Industrial Estate, Northampton, NN4 7PW.

In recent years the company found that there was increased competition and costs which put pressure on the company's margins.

In January 2011 the demand for the company's services dramatically reduced and customers deferred major planned work schedules. Customer payment terms also worsened and while a return to profitability could reasonably be forecast in future, the company would not be able to fund the working capital required to support continued trade in the interim.

A pre-packaged sale was considered as the best option for the company as it would preserve the jobs of the company's 123 employees, ensure continuity of supply to the company's customers and increase the value of the company's debtor ledger and ultimately the collectability of same.

Owing to the company's trading losses, trading within a formal insolvency procedure was not a viable option. The likely shutdown scenario was compared with the pre-pack outcome and was anticipated to result in a considerably lower return to the company's creditors. This is both due to the higher debtor realisations anticipated as a result of the company being able to invoice up until the date of administration and the avoidance of employee claims.

Begbies Traynor (Central) LLP provided advice and assistance in respect of the pre packaged sale of the business and the formalities for placing the company into Administration. On 7 March 2011 a director, Mr Peter Jenkinson, filed a Notice of Intention to Appoint Administrators. Following the receipt of the secured creditor's consent in this regard, a Notice of Appointment of Administrators was filed on 11 March 2011.

5. STATEMENT OF AFFAIRS

The directors have not yet submitted a formal Statement of Affairs. They have however provided their cooperation in providing me with necessary financial information concerning the company and a summary of the financial position of the company at the date of Administration is incorporated in the attached Abstract of Receipts and Payments. A list of the company's creditors is also attached.

The figures detailed are explained in the following two sections of this report.

6. THE ADMINISTRATION PERIOD

Receipts and Payments

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, 11 March 2011 to 8 April 2011.

Receipts

Assets Specifically Pledged

Goodwill

The sum of £25,000 has been received in respect of a sale of the company's goodwill. This asset formed part of the pre-packaged sale of the business, further details of which are provided below.

Intellectual Property

The sum of £1 has been received in respect of a sale of the company's intellectual property. This asset formed part of the pre-packaged sale of the business, further details of which are provided below.

Book Debts

The company's book debts are secured under a sales finance agreement with Barclays Sales Finance. The total sum of £135,752 was estimated to be outstanding to Barclays Sales Finance at the date of administration.

It was estimated that the book debt ledger stood at £693,983 at the outset of the administration. The directors have advised that they believe that a high proportion of the ledger will be collected as the majority relates to blue chip companies. Therefore, upon the basis of the information provided by the directors, it is estimated that £680,000 will be realised.

To date, no realisations are shown on the attached Receipts and Payments account as Barclays Sales Finance has been collecting the ledger. However, it is now understood that the secured creditor has been paid in full and therefore the Joint Administrators are seeking a reassignment of the ledger.

Assets not Specifically Pledged

Fixtures & Fittings/Plant & Machinery

The directors have advised that the company's Fixtures & Fittings and Plant & Machinery hold a book value in the sum of £16,516 and an estimated to realise value in the sum of £7,455.

License Fee

The above Fixtures & Fittings and Plant & Machinery have been licensed to Dee Set Logistics Limited for a period of 3 months under the terms of the sale agreement detailed below, at a cost of £500 per month. At the end of this period, Dee Set Logistics Limited will have the option to purchase these assets at a price to be agreed by the administrator's valuation agent, Edward Symmons LLP.

Motor Vehicles

The sum of £31,123 has been received in respect of a sale of the company's motor vehicles. These assets formed part of the pre-packaged sale of the business, further details of which are provided below.

Other Debtors & Prepayments

The directors have advised that the company has other debtors and prepayments with a book value in the sum of £19,275 and have estimated these to realise the sum of £7,455.

Cash at Bank

At the date of administration, the directors have advised that the company's bank account held £4,944. It is uncertain as to the sum which will be realised in this respect as it is understood that further receipts may have been received into this account.

Commercial Records

The sum of £1 has been received in respect of a sale of the company's commercial records. This asset formed part of the pre-packaged sale of the business, further details of which are provided below.

Payments

Legal Fees

The sum of £7,979 50 plus VAT has been paid to Matthew Arnold Baldwin LLP for their assistance with the preparation of the agreement concerning the pre-packaged sale of the business

Other Costs:

As detailed below, the agents, Edward Symmons LLP, have conducted a valuation of the company's assets involved in the pre-packaged sale and assisted with this sale. The agent's fees for carrying out this work is fixed on a time cost basis plus disbursements. The agent has advised that their estimated time costs for the assignment are likely to be in the region of £5,500. The disbursements are estimated to be in the region of £1,000.

Pre-packaged sale of the business and assets

Creditors of the Company have already been provided with information on the pre-packaged sale of the Company's business and assets by letter dated 16 March 2011.

The information previously provided to creditors is as follows.

INFORMATION ABOUT THE COMPANY AND THE PRE-PACKAGED SALE OF THE COMPANY'S ASSETS AND UNDERTAKING ON 11 MARCH 2011

INFORMATION IN RELATION TO THE PRE-PACKAGED SALE

Who was the source of Begbies Traynor (Central) LLP's initial introduction to the Company?

This firm's initial introduction came from the company's accountants, Maynard Heady LLP

What was the extent of Lloyd Biscoe and Wayne Macpherson, and Begbies Traynor (Central) LLP's involvement with the Company before appointment?

The proposed administrators were contacted by Peter Jenkinson, who is a director of the Company, on Friday 4th March 2011. Begbies Traynor (Central) LLP carried out an immediate review of the Company's business.

Prior to their appointment the proposed administrators advised the Company and not the directors on their personal position, the directors were encouraged to take independent advice.

Please note that negotiations with the Purchaser in relation to the pre-packaged sale were conducted by Lloyd Biscoe and Wayne Macpherson prior to their formal appointment as administrators. The directors also held talks with the proposed purchaser and assisted with negotiations to facilitate a sale.

What marketing of the Company's undertaking and assets was undertaken by the Company?

The directors considered in depth purchasers for the company's business, taking into account the suitability of the purchaser in relation to customer continuity and employment of the company's existing employees. No direct marketing via means such as advertising took place.

What marketing of the Company's undertaking and assets was undertaken by Lloyd

Biscoe and Wayne Macpherson?

For the reasons set out herein, a seamless transfer of the business and certain assets of the business to Dee Set Logistics Limited was considered to be the most advantageous for creditors and therefore no marketing was undertaken after the Administrators were appointed

What valuations of the Company's undertaking and assets were obtained?

The company's assets were valued by independent agents, Edward Symmons Details of the valuations on a going concern basis and break-up basis are set out below

<u>Categories of Assets</u>	<u>Valuation £ (going concern basis)</u>	<u>Valuation £ (break-up basis)</u>
Office Furniture & Warehouse Equipment	22,990	5,500
Motor Vehicles	57,575	48,250
Goodwill	25,000	Nil

The goodwill of the company was valued by the agent after reviewing the financial accounts, projections and copies of key contracts with customers

What alternative courses of action were considered by Lloyd Biscoe and Wayne Macpherson?

As previously explained, trading the company within an insolvency procedure was not considered viable and a shut down scenario was expected to significantly dilute realisations

Why was it not appropriate to trade the business during the administration in order to offer it for sale as a going concern?

Trading the business was not considered viable owing to the continued trading losses and a lack of working capital which would have been required for example, in payment of salaries. The professional costs involved in trading the business would far outweigh those payable in the pre-pack scenario.

What requests were made to potential funders to fund working capital requirements during the administration?

For the reasons set out above, no requests were made in this regard as trading was not considered a viable option. Barclays Sales Financing did however make sums available to pay wages which had accrued for the weeks ending 4 March 2011 and 11 March 2011.

What consultations were made with major creditors?

The company's bankers were provided with information upon our formal instruction relating to the alternative strategies which could be implemented. The directors and associated companies represent the major creditors of the company and were duly consulted regarding the process.

What was the date of the transaction?

11 March 2011

What were the assets sold and what was the nature of the transaction?

The sum of £75,000 was paid for the company's assets on completion. The consideration can be broken down as follows:

Goodwill	£25,000
Motor Vehicles	£49,998
Commercial Records	£1
Intellectual Property Rights	£1
	£75,000

The employees had accrued holiday pay at the date of Administration totalling the sum of £18,155. The purchaser agreed to pay this sum, which would have been claimed preferentially within the Administration, and reduce the consideration paid in respect of the above assets. Accordingly, the consideration in respect of motor vehicles was reduced by £18,155.

What was the consideration for the sale, including payment terms, and other conditions of the contract that could materially affect the consideration?

The consideration can be compared with the independent valuations as follows:

<u>Categories of Assets</u>	<u>Valuation (going concern basis) £</u>	<u>Valuation (break-up basis) £</u>	<u>Sum realised £</u>
Goodwill	25,000	Nil	25,000
Motor Vehicles	57,575	48,250	49,998
Commercial Records			1
Intellectual Property Rights			1

Is the sale part of a wider transaction? If so a description of the other aspects of the transaction:

No

Who was the purchaser?

Dee Set Logistics Limited

Is there a connection between the purchaser and the directors, shareholders or secured creditors of the Company?

The joint administrators are not aware of any connection between the purchaser and the directors, shareholders or secured creditors of the Company.

Are any directors, or former directors, of the Company involved in the management or ownership of the purchaser, or of any other entity into which any of the assets have been transferred? If so, who are they?

From information obtained at Companies House, the joint administrators are not aware of the directors, or former directors of the Company being involved in the management of the purchaser or any other entity into which the assets have been transferred.

Had any directors of the Company given guarantees for amounts due from the Company to a prior financier? Is that financier financing the new business?

The directors have informed the joint administrators that they have given no guarantees to a prior financier

What options, buy-back arrangements or similar conditions are attached to the contract of sale?

None

7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment are as follows.

Secured creditor

Barclays Bank Plc holds fixed and floating charges over the assets of the company and Barclays Sales Finance holds security over the book debts of the company under the terms of the sales financing agreement. Barclays Sales Finance were estimated to be owed the sum of £135,752 at the date of administration

Preferential creditor

As a result of the sale of the business and assets and the employees of the Company transferring to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006 and the settlement of the outstanding holiday pay previously mentioned in this report, there are no known preferential claims

Unsecured creditors

Unsecured creditors were estimated at £819,284. Of this total sum, £45,975 is owed to both David Mason and Construction and Mining Equipment Company, which is an associated company. Also included in the total figure were sums due to further associated companies. The Rugby Design Group Limited is owed the sum of £192,158, Shirestride is owed the sum of £119,687.85 and Silver Ment is owed £25,306.80

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditor as follows

Secured creditor

As advised above, it is understood that Barclays Sales Finance and Barclays Bank Plc have been paid in full

Preferential creditors

As advised above, there are no preferential creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for 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 debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge

holder may not participate in the distribution of the prescribed part of the Company's net property. The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the administrator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

It is not considered that the prescribed part provisions will require application as it is understood that the secured creditor has been repaid in full from fixed charge debtor realisations.

Unsecured creditors

It is currently anticipated that there will be sufficient funds to enable a distribution to be paid to the unsecured creditors of the company as it is anticipated that future significant realisations will be made in respect of the company's remaining debtor ledger.

8. ADMINISTRATORS' PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in our report, we presently consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

As previously explained in this report, it was not considered viable to rescue the company as a going concern as this would have involved trading the business. This was not considered viable owing to the continued trading losses and a lack of working capital.

We consider that the objective specified in sub-paragraph 3(1)(b) has already largely been achieved. Placing the company into administration has allowed for a pre-packaged sale of the business to occur. An administration allows for an immediate appointment of Insolvency Practitioners as opposed to a Liquidation where statutory notice of meetings of shareholders and creditors must be given, which delays such an appointment. The appointment of administrators has preserved the goodwill of the company and avoided significant employee claims which would have occurred in a Liquidation scenario.

As the objective specified in sub-paragraph 3(1)(b) has already largely been achieved, the Joint Administrators propose that the company be placed into creditors voluntary liquidation, as discussed below, shortly after the approval of the proposals.

Exit from Administration

We confirm that we are of the opinion that the total amount which each secured creditor of the Company is likely to receive has been paid or set aside and that a distribution will be made to the unsecured creditors of the Company

Administrators do not have a general power to make a distribution to unsecured creditors and may only do so if the court gives permission. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator.

Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to implement the provisions of Paragraph 83 of Schedule B1 to the Act whereby on the registration of a notice sent to the Registrar of Companies, our appointment as administrators shall cease to have effect and the Company will automatically be placed into creditors' voluntary liquidation. Paragraph 83(7) provides

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrator

We confirm that as part of our proposals we propose that we act as joint liquidators in the subsequent winding up of the Company. 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. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of the administrators' proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

9. ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Pre-administration costs

In the period before the Company entered administration, the administrators carried out work consisting of liaising with the directors to review the company's financial position and subsequently reporting to the secured creditor setting out the various options available to the company and secured creditor and our recommendations, assisting with the formalities of placing of the company into administration and providing advice and undertaking preparatory work in respect of the pre-packaged sale of the business and assets which completed immediately after the company was placed into administration ("the Work"). No formal agreement was entered into with any party with regard to the payment of these costs as an expense of the Administration.

The Work was carried out before the Company entered administration as the purpose of the assignment was to establish the most financially beneficial way of dealing with the insolvency, a crucial aspect of this being to identify the most appropriate insolvency process. In this instance it was identified that a pre-packaged sale of the business would be the most beneficial for the company's creditors as it would preserve the goodwill of the

the business would be the most beneficial for the company's creditors as it would preserve the goodwill of the business and eliminate employee claims. This process required the administrators to carry out the Work prior to their appointment in order for the pre-packaged sale to be possible. For these reasons the administrators consider that the Work has furthered the achievement of the objective of administration being pursued, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

The Pre-administration costs are as follows

The administrators' fees are in the total sum of £9,467.50 plus VAT and expenses incurred are as follows

Description of Expense	Amount £
Travel Expenses	171.40 plus VAT
Court Filing Fee	<u>25.00 plus VAT</u>
	196.40 plus VAT

The Pre-administration costs detailed above are unpaid. The administrators are seeking that the costs be paid as an expense of the administration. Pursuant to Rule 2.67A of the Insolvency Rules 1986, approval to pay such costs as an expense is required from the creditors' committee, or in the absence of a committee, or if the committee does not make a determination, by way of a resolution of creditors. Payment of the unpaid Pre-administration costs requires separate approval and is not part of the administrators' proposals subject to approval pursuant to Paragraph 53 of Schedule B1 to the Act.

Administrators' Remuneration

The administrators propose that the basis of their remuneration be fixed under Rule 2.106 of the Rules by reference to the time properly given by them (as administrators) and the various grades of their staff calculated at the prevailing hourly rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration.

It is for the creditors' committee to approve the basis of the administrators' remuneration under Rule 2.106 of the Rules, but if no such committee is appointed it will be for the creditors to determine.

Since the date of our appointment, our staff and ourselves have spent 30.80 hours on this case incurring total time costs of £8,499. This provides an average charge out rate of £275.94 per hour. Appendix 3 sets out the administrators' firm's hourly charge out rates and a breakdown of the time that they and their staff have spent in attending to matters arising in the administration since 11 March 2011.

Administrators' disbursements

The administrators propose that disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) be charged in accordance with their firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by the administrators and subject to the approval of those responsible for determining the basis of the administrators' remuneration.

In particular, creditors should note that the company's books and records will be stored by Archive Facilities (Southend) Limited, which is associated to partners of Begbies Traynor (Central) LLP. Their charges are set out in Appendix 3.

As detailed previously in this report, it is the intention to place the company into Creditors Voluntary Liquidation in the near future. Creditors should note that if the current joint administrators are appointed as joint liquidators of the company, as is intended, then the liquidators' remuneration will automatically be fixed on the same basis as the joint administrators' remuneration.

10. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of directors

The administrators have a statutory duty to investigate the conduct of the directors and any person they consider to be or have been a shadow or de facto director during the period of three years before the date of their appointment, in relation to their management of the affairs of the Company and the causes of its failure. The administrators are obliged to submit confidential reports to the Department for Business, Innovation and Skills.

Creditors who wish to draw any matters to the attention of the administrators' should write to them at their address detailed at Section 3 of this report.

Connected party transactions

The administrators have not been made aware of any sales of the Company's assets to connected parties

11. CONCLUSION

Pursuant to paragraph 58 of Schedule B1 to the Act, the administrators' proposals will be considered at an initial meeting of the Company's creditors conducted by means of a postal resolution in accordance with the Notice of conduct of business by correspondence (Form 2 25B) accompanying this document. Rule 2.48(7) provides that a creditor or creditors of the Company whose debts amount to at least 10% of the total debts of the Company, may requisition a meeting of creditors, rather than the meeting being conducted by correspondence. Any such requisition must be in the prescribed manner in accordance with Rule 2.37 and be made within 5 business days of the date on which the administrators' statement of proposals is sent out.

Subject to the approval of our proposals at the initial creditors' meeting we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.


Lloyd Biscoe
Joint Administrator

Date 08 April 2011

ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS

11 March 2011 to 8 April 2011

RD Retail Solutions Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 08/04/2011

S of A £		£	£
	SECURED ASSETS		
25,000 00	Goodwill	25,000 00	
1 00	Intellectual Property	1 00	
680,000.00	Book Debts	NIL	
	:		25,001 00
	SECURED CREDITORS		
(135,752.00)	Barclays Sales Finance	NIL	
			NIL
	ASSET REALISATIONS		
7,455 00	Fixtures & Fittings	NIL	
49,998.00	Motor Vehicles	31,123 00	
7,455 00	Other Debtors & Prepayments	NIL	
4,944 00	Cash at Bank	NIL	
1.00	Commercial Records	1 00	
1,500 00	License Fee	NIL	
			31,124 00
	COST OF REALISATIONS		
	Legal Fees (1)	7,979.50	
			(7,979 50)
	PREFERENTIAL CREDITORS		
(18,155 00)	Employees Holiday Pay	NIL	
			NIL
	UNSECURED CREDITORS		
(41,865 00)	Trade Creditors	NIL	
(119,688 00)	Shirestride Limited	NIL	
(25,307.00)	Silver Merit Limited	NIL	
(192,158 00)	Rugby Design Group	NIL	
(123,789 00)	HMRC (non VAT)	NIL	
(224,527 00)	HMRC (VAT)	NIL	
(45,975.00)	D Mason	NIL	
(45,975 00)	CAMEC	NIL	
			NIL
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	
			NIL
(196,937.00)			48,145.50
	REPRESENTED BY		
	Vat Receivable		1,595 90
	Bank 1 Clients Premiums Account		46,549 60
			48,145.50

Note

Begbies Traynor (Central) LLP
RD Retail Solutions Limited
A5 - Unsecured Creditors

Key	Name	£
C 00	ALLEN FORD	970 94
C 01	BARCLAYCARD	11,503 01
C 02	CAMEC Peter Jenkinson)	45,975 00
C 03	F & R CAWLEYS	141 66
C 04	CHAIN SUPPLY MANAGEMENT & LOGISTICS	740 83
C 05	COPIER MAINTENANCE COMPANY LTD	23.48
C 06	CRAWFORD UK LTD	192 67
C 07	DAVID MASON	45,975.00
C 08	DEMON	88 80
C 09	ELEANOR CLEANING SERVICES LTD	143 00
C 0A	EXPERT MERCHANDISING SOLUTIONS LTD	5,041 08
C 0D	IRON MOUNTAIN UK LTD	201.60
C 0E	LUTTERWORTH FORD	272 86
C 0F	MAINLAND GROUP	6,966.96
C 0G	MELLO OFFICE SUPPLIES	605 04
C 0H	MERCHANDISING AND RETAIL SOLUTIONS L	2,138 50
C 0J	MPC WESTCLIFF	24 95
C 0K	NATIONAL CAR RENTAL	4,699 74
C 0L	NCS CONSTRUCTION & RETAIL SERVICES L	2,676 00
C 0M	NORTHGATE VEHICLE HIRE (HOME COUNTI	873 31
C 0N	PHS GROUP PLC	313 08
C 0O	PREMIER RESOURCES (NOTTM) LTD	623 57
C 0Q	Royal Mail	70 00
C 0R	RUGBY DESIGN GROUP LTD	88,125 00
C 0S	RUGBY DESIGN GROUP LTD	104,033 00
C 0T	SHIRESTRIDE LTD	119,687 85
C 0U	SILVER MERIT LTD	25,306 80
C 0V	Thames Water Utilities	21 34
C 0W	VODAFONE LTD	1,934 85
CA00	Anglian Water	70 07
CB01	British Gas	1,527 53
CH01	HM Revenue & Customs	224,527 00
CH02	HM Revenue & Customs	123,789 00
33 Entries Totalling		819,283.52

@ - Denotes associate creditor

Signature _____

ADMINISTRATORS' TIME COSTS AND EXPENSES

Remuneration drawn will be notified to any creditors' committee appointed under paragraph 57 of Schedule B1 to the Act. In the absence of a creditors' committee, details of time incurred and disbursements drawn will be reported to creditors in accordance with *Statement of Insolvency Practice 9* issued by the Joint Insolvency Committee on behalf of the administrators' licensing bodies

Total time spent to 8 April 2011 on this assignment amounts to 30 80 hours at an average composite rate of £275 94 per hour resulting in total time costs to 8 April 2011 of £8,499

To assist creditors in determining this matter, the following further information on time costs and expenses are set out

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Table of time spent and charge-out value

In addition, a copy of *A Creditors' Guide to Administrators' Fees* is available on request. Alternatively, the guide can be downloaded from our website www.begbies-traynor.com via the "Corporate Recovery and Insolvency" link in the "Quick Links" box on the left hand side of the homepage. From there please follow the "Creditor" link which will take you to the appropriate page where the Guide can be found at the end

BEGBIES TRAYNOR CHARGING POLICY

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 draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories.

- *Category 1 expenses (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 expenses (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors may be charged by some offices and is charged at the rate of £100 (London £150) per meeting. External meeting room usage is charged at cost.
- Car mileage is charged at the rate of 40 pence per mile.

Expenses which should be treated as Category 2 expenses (approval required) – in addition to the 2 categories referred to above, best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as Category 2 expenses. The following items of expenditure which

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of Insolvency office holders in England & Wales (Effective 1 April 2007)

² Statement of Insolvency Practice 9 (SIP 9) – Remuneration of Insolvency office holders in England & Wales (Effective 1 April 2007)

relate to services provided by an entity within the Begbies Traynor Group are to be charged to the case (subject to approval)

- Storage of books and records (when not rechargeable as a *Category 1 expense*) is charged by Archive Facilities (Southend) Limited, an associated company. The rates applying as at the date of this report are:

Minimum charge of £33 per quarter for up to three boxes. Four to Two Hundred Boxes charged at £9.90 per quarter per box. Over two hundred boxes are charged at half the aforementioned price, presently £4.95 per box per quarter. Mileage for collection of books and records is charged at 55p per mile. Provision of cardboard box charged at £2.75 per box. Where Archive Facilities (Southend) Limited are required to physically pack the books and records, there is a minimum charge of 2 hours at £15 per hour per person required, and at £15 per hour for each hour thereafter. All figures stated are net.

- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*

- Telephone and facsimile
- Printing and photocopying
- Stationery

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 Southend-on-Sea office as at the date of this report are as follows:

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	450
Partner 2	395
Director	375
Senior Manager	350
Manager	300
Assistant Manager	250
Senior Administrator	220
Administrator	180
Junior Administrator	150
Support	150

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).

Notice of conduct of business by correspondence

Name of Company.
RD Retail Solutions Limited

Company number:
04982249

In the
High Court

[full name of court]

Court case number.
1732 of 2011

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

Notice is hereby given by (a) Lloyd Biscoe and Wayne Macpherson of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG

(b) Insert full name and address of registered office of the Company

to the creditors of (b) RD Retail Solutions Limited, The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG

(c) Insert number of resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) five resolutions for your consideration. Please indicate below whether you are in favour or against each resolution

(d) Insert address to which form is to be delivered

This form must be received at (d) The Old Exchange, 234 Southchurch Road, Southend-on-Sea, Essex, SS1 2EG

(e) Insert closing date

by 12 00 hours on (e) 28 April 2010 in order to be counted. It must be accompanied by details in writing of your claim unless those details have already been submitted for the purpose of a meeting of creditors. Failure to do so will lead to your vote(s) being disregarded

Repeat as necessary for the number of resolutions attached

Resolution (1) I am *in Favour / Against
Resolution (2) I am *in Favour / Against
Resolution (3) I am *in Favour / Against
Resolution (4) I am *in Favour / Against
Resolution (5) I am *in Favour / Against
*Delete as appropriate

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor: _____

Signature of creditor. _____

(If signing on behalf of creditor, state capacity e.g. director / solicitor)

If you require any further details or clarification prior to returning your votes, please contact me / us at the address above

Signed: _____

Joint Administrator(s)

Dated: _____

08/04/11

The Insolvency Act 1986

RD Retail Solutions Limited (In Administration) ("the Company")
Company Number: 04982249

Lloyd Biscoe and Wayne Macpherson were appointed joint administrators on 11 March 2011

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and contract without personal liability

Resolutions

To accompany Notice of conduct of business by correspondence (Form 2.25B)

(Initial Creditors Meeting Pursuant to Paragraph 51 of Schedule B1 to the Insolvency Act 1986, meeting by correspondence pursuant to Paragraph 58 of Schedule B1 to the Insolvency Act 1986 and Rule 2.48 of The Insolvency Rules 1986)

- 1 "That the joint administrators' proposals for achieving the purpose of the administration, as set out in the document entitled *The Statement of Proposals of the Joint Administrators for Achieving the purpose of the Administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986*, be and hereby are approved "
2. *Administrators' remuneration*
 "That the joint administrators' remuneration be fixed by reference to the time properly given by the joint administrators (as administrators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the administration"
- 3 *Administrators' disbursements*
 "That the joint administrators be authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with their firm's policy, details of which accompanied *The Statement of Proposals of the Joint Administrators for Achieving the Purpose of the Administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986*
- 4 *Pre-administration costs*
 "That the joint administrators' unpaid pre-administration costs in the total sum of £9,467.50 plus VAT and disbursements detailed in the statement of pre-administration costs contained in the joint administrators' Statement of Proposals, be approved for payment "
- 5 *Administrators' discharge from liability*
 "That the joint administrators' be discharged from liability in respect of any actions of theirs as administrators, pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, with effect from the date their appointment as joint administrators ceases to have effect"