

# 2.24B

The Insolvency Act 1986

## Joint Administrators' final progress report

Name of Company
Ridings Enterprises Limited – In Administration

Company number
05430317

In the High Court of Justice Chancery Division Companies Court	(full name of court)
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Court case number
111 of 2010

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

We  
Anthony Harry Hyams  
Marriotts Recovery LLP  
Allan House  
10 John Princes Street  
London  
W1G 0AH

Kevin Thomas Brown  
Marriotts Recovery LLP  
Allan House  
10 John Princes Street  
London W1G 0AH

Joint Administrators of the above company attach a final progress report for the period

(b) Insert date

From
5 January 2011

To
8 July 2011

Signed

Joint Administrator

Dated

8 July 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

Anthony Harry Hyams  
Marriotts Recovery LLP  
Allan House  
10 John Princes Street  
London  
W1G 0AH

DX Number

020 7495 2348  
DX Exchange



A18	*ASTVBVYU*	79
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COMPANIES HOUSE		

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**

Strictly Private and Confidential

**Ridings Enterprises Limited - In Administration**

**High Court of Justice No. 111 of 2010**

Joint Administrators' Final Progress Report to Creditors

As at 8 July 2011

Anthony Harry Hyams FCCA and Kevin Thomas Brown FCA  
Joint Administrators

Marriotts Recovery LLP  
Allan House  
10 John Princes Street  
London  
W1G 0AH

## **Ridings Enterprises Limited - In Administration**

### **1. Introduction**

This report is prepared pursuant to Rule 2.47 of the Insolvency Rules 1986 in relation to Ridings Enterprises Limited - In Administration ("the Company"), the purpose of which is to provide creditors with an update as to the present position of proceedings and to convert the Administration to Liquidation

The report also includes statutory information required to be provided to creditors pursuant to Rule 2.47 of the Insolvency Rules 1986

This report should also be read in conjunction with the Joint Administrators' report and proposals that were circulated to creditors on 9 March 2010 and approved at a meeting of creditors held on 30 March 2010, the Joint Administrators' progress reports circulated on 16 August 2010 and 4 January 2011, and the report issued on 15 June 2011 to revise the Joint Administrators' proposals which were approved at a meeting held on 1 July 2011

### **2. Statutory information**

Anthony Harry Hyams and Kevin Thomas Brown of Marriotts Recovery LLP, Allan House, 10 John Princes Street, London W1G 0AH were appointed Joint Administrators by the Company's Director, Mr Graham Lucking on 21 January 2010 following a notice filed in the High Court of Justice (London) under case number 111 of 2010

Details of the statutory information for the Company are attached at Appendix 1

The prescribed part in accordance with s176A of the Insolvency Act 1986 in relation to any floating charge creditor will not apply in this instance as the floating charge holder is not owed any money

The EC Regulations on Insolvency Proceedings 2000 do apply and these proceedings are main proceedings as defined in Article 3 of the EC Regulation, the Company had its principal place of business in the UK

### **3. Conduct of the Administration**

Creditors will recall that the purpose of the Administration was to achieve 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)

Furthermore the process of Administration was chosen in order to optimise the recovery in the Company's subsidiary, Jetleys Packaging Limited, as it was considered appropriate for the holding Company to be under the same procedure as the subsidiary as their facilities and operations were intrinsically linked

Creditors' attention is drawn to the information provided in our reports to creditors of 9 March 2010 which sets out the Administrator's proposals which were approved at a meeting of creditors held on 30 March 2010 without modification, our progress reports to creditors dated 16 August 2010 and 4 January 2011, and the report issued on 15 June 2011

We confirm that the relevant Form 2.34B being the Notice of move from Administration to Creditors Voluntary Liquidation has today been submitted to Companies House for filing

### **3.1 Extension of Administration**

Creditors will recall from our previous progress report of 4 January 2011 that a meeting had been convened in order to seek a 6 month extension to the Administration in order to be able to continue the pursuit of the outstanding book debt, the VAT refund and also as to ascertain whether there was any value in the Absorbreeze Licence held by the Company

At the meeting of creditors held on 20 January 2011 the following resolution was passed

“That the Administration be extended for a period of 6 Months to 20 July 2011 in order to allow the realisation of the Company’s book debts and that upon creditors consenting to an extension Form 2.31B is filed with the Registrar of Companies and the Royal Courts of Justice ”

### **3.2 Revision of Joint Administrators’ Proposals**

Following on from the extension to the Administration we wrote to creditors on 15 June 2011 advising that the issues reported upon in the progress report of 4 January 2011 were ongoing and it that it was unlikely that they would be concluded prior to the Administration expiring

As a result creditors were advised that in order to allow these matters to be concluded the Joint Administrators’ proposals would need to be revised to allow the Company to move from Administration to Liquidation and therefore the following revision to the proposals was proposed and accepted by the creditors:

“That the Joint Administrators file the appropriate notice with the Registrar of Companies of the move from Administration into Creditors’ Voluntary Liquidation immediately following the meeting of creditors, with them being appointed as Joint Liquidators, in order that a distribution can be made to unsecured creditors and/or other matters concluded, and that they be discharged from liability in respect of any action undertaken by them pursuant to Schedule B1, Paragraph 98 of the Act ”

As a result of this revision to the Joint Administrators’ proposals, the revised proposals are as follows

- 1 The Joint Administrators propose to file the appropriate notice with the Registrar of Companies of the move from Administration into Creditors’ Voluntary Liquidation immediately following the meeting of creditors, with them being appointed as Joint Liquidators, in order that a distribution can be made to unsecured creditors and/or other matters concluded, and that they be discharged from liability in respect of any action undertaken by them pursuant to Schedule B1, Paragraph 98 of the Act
- 2 That the creditors did not request establishment of a creditors’ committee
- 3 The Joint Administrators be remunerated by reference to the time spent by them and their team at their firm’s usual charge out rate in dealing with all relevant issues of the Administration
- 4 The Joint Administrators be authorised to recover all disbursements including Category 2 disbursements as defined by SIP 9

- 5 The Joint Administrators shall have the authority to sanction and agree the fees of any solicitors or agents by reference to the time given by them and their staff in attending to matters arising in the Administration

### **3.3 Book Debts**

You will recall from our report of 15 June 2011 that we had instructed Gelbergs Solicitors, 188 Upper Street, Islington, London N1 1RQ to commence legal action for the recovery of the debt from the purchaser of the subsidiary's Hieroglyphics printing business and this matter is ongoing

### **3.4 Absorbbeeze Licence**

Our enquiries in respect of the Absorbbeeze Licence are continuing and creditors will be updated accordingly in a subsequent report

### **3.5 VAT Refund**

As previously advised according to the directors statement of affairs there was a VAT refund due to the company in the sum of £8,042 which was expected to be realised in full. However a claim had been received from HM Revenue & Customs in respect of PAYE/NIC and it was therefore unlikely that any part of the refund would be received as the Crown would set-off any liabilities owing to them

Creditors will note from the attached receipts and payments account that the refund has not been received

## **4. Outcome of the Administration**

As previously advised the purpose of the Administration, namely 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), will be achieved through the debtor collection process and realisation of the other assets as explained in part 3 of this report.

In order to allow this to be achieved the Company will now be moved from Administration to Liquidation

## **5. Administrators' Investigations**

As previously advised we have filed a report in respect of complying with our statutory obligations to the Department for Business Innovation and Skills (BIS), (formerly the DTI) in respect of the conduct of the directors pursuant to the Company Directors Disqualification Act 1986

The contents of our report are confidential. However, we are not aware of any action being taken by BIS as a result of the report.

## **6. Summary of receipts and payments**

A summary of our receipts and payments account covering the entire period of the Administration together with a receipts and payments account for the period from 5 January 2011 to 8 July 2011 which covers the period since the progress report dated 4 January 2011 is attached at Appendix 2 which should be read in conjunction with the information contained in this report and our previous reports of 9 March 2010, 16 August 2010, 4 January 2011 and 15 June 2011.

You will note from the receipts and payments account that during the course of the Administration there have not been any receipts of payments

## **7. Expected outcome for creditors**

Any distribution to the unsecured creditors will depend upon the level of realisations received in respect of those assets remaining during the course of the liquidation

## **8. The costs spent in the conduct of the Administration**

### **8.1 The Joint Administrators' fees**

At the meeting of creditors held on 30 March 2010, the creditors resolved to remunerate the Joint Administrators by reference to the time spent by them and their team at their usual charge out rate in dealing with all relevant issues of the Administration

Attached at Appendix 3 is the Joint Administrators' time cost analysis for the period of the Administration. This is subject to ongoing time costs that will be incurred in preparing this report. The analysis should be read in conjunction with the notes which follow

Total time costs incurred by the Joint Administrators and their staff for the period of the Administration to date amounts to 75 hours culminating in a total charge out value of £17,206 at an average hourly charge out rate of £229

An extract of Statement of Insolvency Practice 9, which provides guidance as to how the Joint Administrators' remuneration is normally authorised, may be obtained from the Association of Business Recovery Professionals website, [www.r3.org.uk/index.cfm?page=1210](http://www.r3.org.uk/index.cfm?page=1210). Alternatively, you may telephone this office requesting a copy of the said document, whereupon one will be sent to you free of charge

You will note that due to a lack of funds the Joint Administrators' have been unable to draw their remuneration

### **8.2 Grades of staff used**

The grades of staff are selected according to the nature of work required to be undertaken for each appointment. In this particular case the Joint Administrators were involved in dealing with the ongoing collection of the Company's book debt, establishing whether there is a value in the Absorbbeeze Licence and reviewing other aspects of the case

Other staff charged out at lower rates were employed to deal with the administrative aspects of the case. This is outlined in the attached SIP 9 time cost summary and in the following paragraphs

## 8.2 Areas of time expense

The time and cost summary is broken down into several categories; an analysis of the areas of time expense is as follows -

### 8.2.1 Administration & planning

A total of 48 hours has been spent undertaking statutory obligations and requirements in accordance with the relevant legislation and rules which includes attending to case planning, administrative set-up, case review, appointment notification, maintenance of records, reviewing and analysing records, statutory reporting, dealing with taxation and VAT, cashiering activities, and regulations culminating in a time cost of £8,576, at an average hourly charge out rate of £179

### 8.2.2 Investigations

A total of 2 hours and 40 minutes has been incurred in relation to the initial examination of the trading period prior to the Administrators' appointment. This also includes time spent in attending to all aspects of obtaining and reviewing financial records and undertaking an investigation into the conduct of the Company's business and affairs as required by SIP 2, completion of statutory reporting requirements under the provisions of the Company Directors Disqualification Act 1986; investigating specific transactions and attending to all ongoing enquiries and issues arising from this reporting culminating in a time cost of £1,180 at an average hourly charge out rate of £442

### 8.2.3 Realisations

A total of 10 hours and 20 minutes has been spent principally on the collection of the Company's book debt. Time spent under this heading also includes dealing with the Absorbreeze Licence and the VAT refund culminating in a time cost of £4,024 at an average hourly charge out rate of £389.

### 8.2.4 Creditors

A total of 14 hours has been spent communicating with creditors and shareholders both verbally and by correspondence, posting all claims and creditor details, attending to creditors enquiries, drafting and sending out all reports to creditors, and liaising and reporting generally to all creditors, culminating in a time cost of £3,426, at an average hourly charge out rate of £245

## 8.3 Administration expenses

### 8.3.1 Category 1 Disbursements

It should be noted that the following disbursements as required by the Insolvency Act 1986 were paid by Marriotts Recovery LLP on behalf of the Company

Category 1 Disbursements	£
Statutory Advertising	61 88
Specific Bond	120 00
	<hr/>
	£181 88

### 8 3 2 Category 2 Disbursements

The following Category 2 disbursements have been incurred and reimbursed to Marriotts Recovery LLP as reported above

<b>Category 2 Disbursements</b>	<b>£</b>
Copying, stationery & postage first report to creditors	13 60
Copying, stationery & postage Administrators' Report & Proposals	27 04
Copying, stationery & postage chairman's report	12 48
Copying, stationery & postage Joint Administrators 6 month progress report	13 56
Copying, stationery & postage Joint Administrators 12 month progress report	14 10
Copying, stationery & postage chairman's report	8 50
Copying, stationery & postage Joint Administrators report to revise proposals	10 60
Copying, stationery & postage chairman's report	8.50
	<hr/>
	<b>£108 38</b>

We will report again by the anniversary of our appointment as Joint Liquidators Please do not hesitate to call this office if you have any enquiries

Yours faithfully



**Anthony Hyams FCCA**  
**Joint Administrator**

*In accordance with Paragraph 45(1) of Schedule B1 to the Insolvency Act 1986, notice is hereby given that the affairs, business and property of Ridings Enterprises Limited - In Administration ("the Company"), is being managed by Anthony Harry Hyams FCCA, and Kevin Thomas Brown FCA acting as Joint Administrators Pursuant to paragraph 69 of Schedule B1 to the Insolvency Act 1986 the Joint Administrators act as agents of the Company and without personal liability*



**Ridings Enterprises Limited - In Administration**  
**Statutory Information**

Incorporated	20 April 2005
Company Number	05430317
Registered Office	Formerly 81 Southwark Street London SE1 0HX
	Currently Allan House 10 John Princes Street London W1G 0AH
Trading Address	81 Southwark Street London SE1 0HX
Directors	Graham Lucking and Peter Reynolds
Issued Share Capital	401,000 ordinary shares of £1 each
Shareholders	Graham Lucking 200 500 shares Peter Reynolds 200,500 shares
Court Details	High Court of Justice, Chancery Division, Companies Court
Court Reference	111 of 2010
Mortgages and Charges Registered	Description Guarantee & Debenture Person(s) Entitled Barclays Bank plc Status Outstanding Created 26 May 2005 Registered 4 June 2005

The application for an Administration Order was made by the director, Graham Lucking

The Company was placed into Administration on 21 January 2010, appointing Anthony Harry Hyams and Kevin Thomas Brown of Marriotts Recovery LLP, Allan House, 10 John Princes Street, London, W1G 0AH as Joint Administrators

The appointment empowered the Joint Administrators to undertake any and all acts in respect of the Company during the Administration

**Ridings Enterprises Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 05/01/2011 To 08/07/2011	From 21/01/2010 To 08/07/2011
	ASSET REALISATIONS		
10,350 00	Book Debts	NIL	NIL
8,042 00	VAT Refund	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(647,885.00)	Associate Company - Jetleys Packaging	NIL	NIL
(84,000 00)	Directors	NIL	NIL
(50,664 00)	H M Revenue & Customs - PAYE	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(401,000 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(1,165,157.00)</b>		<b>NIL</b>	<b>NIL</b>
	REPRESENTED BY		
			<b>NIL</b>

**SIP 9 - Time & Cost Summary**

Period 21/01/10 08/07/11

## Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	2 00	5 17	26 83	14 00	48 00	8,575 67	178 66
Investigations	2 00	0 67	0 00	0 00	2 67	1,179 55	442 32
Realisations of assets	5 00	2 33	3 00	0 00	10 33	4,024 41	389 45
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	3 33	7 83	0 00	2 83	14 00	3,425 90	244 70
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	12 33	16 00	29 83	16 83	75 00	17,205 54	229 40