

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

Avilton Foods International Limited

Company number

06293513

In the  
High Court of Justice, Chancery Division,  
Companies Court

(full name of court)

Court case number  
7854 of 2011(a) Insert full  
name(s) and  
address(es) of  
administrator(s)I/We (a)  
Simon Thomas  
Moorfields Corporate Recovery LLP  
88 Wood Street  
London  
EC2V 7QFRobert Pick  
Moorfields Corporate Recovery LLP  
88 Wood Street  
London  
EC2V 7QF

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

From

To

(b) Insert date

(b) 16 September 2011

(b) 15 March 2012

Signed

Joint / Administrator(s)

Dated

20 MARCH 2012

**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

Simon Thomas  
Moorfields Corporate Recovery LLP  
88 Wood Street  
London  
EC2V 7QF

DX Number

0207 186 1144  
DX Exchange

Cor

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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

Our ref AVIL003/ST/RP/AK/JRADM 15 030  
Your ref

## To All Creditors

19 March 2012

Dear Sirs

### Avilton Foods International Limited ("The Company") – In Administration

In accordance with Rule 2.47, I would like to provide creditors with an update following my appointment as Joint Administrator on 16 September, 2011

#### 1 Statutory Information

I attach the Statutory information relating to the Company and the appointment at Appendix I

#### 2 Progress of the Administration

The Administrators' receipts and payments account for the period 16 September 2011 to 15 March 2012 is attached at Appendix II

I would comment specifically as follows

##### 2.1 Stock

As previously advised in my report dated 26 October 2011, following the appointment of the Administrators a sale of certain assets of the Company was made to Viva Foods Limited ('VFL'). A consideration of £42,476 has since been received in relation to the Company's stock

##### 2.2 Book Debts

At the date of the Appointment of the Administrators the Company also held a book debt ledger which was assigned to Clydesdale Invoice Finance Limited ('CIF') and was not included in the sale of certain assets of the Company

Since my last report a total of £391,585 has been received and CIF has been discharged with the excess collections of £47,362 being transferred to the Administration

There is a single outstanding debtor amount of £10k which at the time of this report the Administrators are continuing to pursue

## 2.3 Bank Interest

Since the appointment of the Administrator interest totalling £18 has been received from the cash held in the Administration bank account

In accordance with Statement of Insolvency Practice 13 (SIP 13), I would advise you that the following assets were sold to a Director of the Company

Date of transaction	Asset involved and nature of transaction	Consideration Paid and Date	Sold to	Relationship
16 September 2011	Stock	£35,398 paid on the 16 September 2011, with the balance being received on 14 October 2011	Viva Foods Limited	Common Director Henry Charters

## 3 Assets still to be realised

As advised above the remaining asset yet to be realised is a book debt in the amount of £10k. The Administrators are continuing to pursue the outstanding balance

## 4 Pre-administration Costs

On 9 November 2011 the following amounts in respect of pre-administration costs were approved

Name of recipient	Brief description of services provided	Total amount approved
Moorfields Corporate Recovery	Marketing of the Company and negotiation of the sale to VFL	£31,904
Edward Symmons	Valuation of plant and machinery	£780
Gateley LLP	Dealing with associated sale contract	£4,880

## **5 Administrators' Remuneration**

- 5.1 The secured creditor (CIF) approved that the basis of the Administrators' remuneration be fixed by reference to the time properly spent by him and his staff in managing the Administration
- 5.2 My time costs for the period from 16 September 2011 to 15 March 2012 are £42,146. This represents 171 at an average rate of £245 per hour. Attached as Appendix III is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Administration
- 5.3 The Administrators have drawn £36,884 against the total set fee agreed of £52,722 approved by the secured creditor
- 5.4 Attached as Appendix IV is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade
- 5.5 Since the date of appointment if this is the first progress report OR the date of the last progress report the following Category 2 disbursements have been taken
- Set-up online creditor reports (£50)
  - Photocopying and postage of creditors correspondence (£152)

## **6 Administrators' Expenses**

Since the appointment of the Joint Administrators the following expenses have been incurred

<b>Name of recipient</b>	<b>Brief description of services provided</b>	<b>Total amount paid (£)</b>
Edward Symmons	Valuation fees in relation to the Company's assets	£780
Geteley LLP	Legal fees in relation to sale and purchase agreement	£4,000
Viva Foods Limited	Fees in relation to Book debt collections	£18,159
Sovereign Credit Management	Fees in relation to Book debts collections	£10,300
Courts Advertising	Statutory Advertising	£76

I can confirm that creditors approved the Administrators' proposals previously circulated in accordance with Rule 2.33(5) of the Insolvency (Amendment) Rules 2003

## **7 Estimated outcome for creditors**

### **7.1 Secured Creditor**

As previously advised upon appointment CIF held a fixed and floating charge over the Company's assets as well as an assignment of the Book debt ledger. CIF have since been discharged in full.

### **7.2 Preferential Creditor**

There are no preferential creditors in this matter.

### **7.3 Unsecured Creditors**

At the date of this report one unsecured creditor claim in the amount of £58,943 has been received.

We currently anticipate that there will not be a surplus available for distribution to unsecured creditors.

## **8 Investigations**

In accordance with the Company Directors Disqualification Act 1986 I would confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills. As this is a confidential report, I am not able to disclose the contents.

## **9 Ending the Administration**

9.1 As outlined in the initial report to creditors it is the Administrators' intention to exit the Administration into dissolution.

9.2 A final progress report in relation to the Administration will be sent to creditors following the discharge.

9.3 The Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

## **10 Creditors' rights**

10.1 Within 21 Days of the receipt of this report, a secured creditor, or an unsecured creditor (with concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrator provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.

- 10.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Administrators' remuneration, the remuneration charged or the expenses incurred by the Administrator as set out in the progress report are excessive
- 10.3 I can confirm that creditors approved the Administrators' proposals previously circulated in accordance with Rule 2.33(5) of the Insolvency (Amendment) Rules 2003

I trust this is in order but should you have any queries please do not hesitate to contact Jessica Rossiter, of this office

Yours faithfully  
For and on behalf of  
Avilton Foods International Limited



**S R Thomas**  
**Joint Administrator**

DDI 0207 186 1155  
Fax 0207 186 1177  
Email [jrossiter@moorfieldscr.com](mailto:jrossiter@moorfieldscr.com)

Simon Thomas and Robert Pick of Moorfields Corporate Recovery LLP, 88 Wood Street, London, EC2V 7QF were appointed Joint Administrators on 16 September, 2011. The Administrators now manage the affairs, business and property of the company. The Administrators act as agents only and without personal liability.

**Avilton Foods International Limited  
Statutory Information**

**Company Information**

Company Number	06293513
Registered Office	C/- Moorfields Corporate Recovery, 88 Wood Street, London EC2V 7QF
Trading Address	Malvern House, Matford Court, Yeoford Way, Exeter Devon

**Appointment details**

Administrators	Simon Thomas and Robert Pick
Administrators' address	Moorfields Corporate Recovery LLP, 88 Wood Street London EC2V 7QF
Date of appointment	16 September, 2011
Court	High Court of Justice, Chancery Division, Companies Court
Court Reference	7854/2011
Appointed by	Directors
Functions	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone
EC Regulations	The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EC regulation

**Avilton Foods International Limited (In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
To 15 March 2012**

	<b>Total</b>
<b>RECEIPTS</b>	<b>Amount (£)</b>
Stock/WIP	42,476 00
Book Debts	47,362 00
Bank Interest Gross	18 57
	<u><b>89,856 57</b></u>
<b>PAYMENTS</b>	
Office Holders Fees	36,884 00
Office Holders Expenses	293 67
Agents/Valuers fees	780 48
Legal fees	4,000 50
Debt Collection Fees	28,459 00
Statutory Advertising	76 5
Bank Charges	40
Vat Receivable	17,207 71
	<u><b>87,741 86</b></u>
<b>Balances in Hand</b>	<u><b>2,114 71</b></u>





**Avilton Foods International Limited**

**1 Explanation of office-holders charging and disbursement recovery policies**

Appendix III of this report outlines the time costs to date in relation to activities undertaken during this matter. The activities are summarised as follows

**1.1 Administration and planning**

The following activities have been undertaken

- Statutory duties associated with the appointment including the filing of relevant notices,
- Notification of the appointment to creditors, members and other interested parties,
- Setting up of case files
- Reviewing available information to determine the appropriate strategy,
- Setting up and maintaining bank accounts,
- Implementing the strategy for the Administration,
- 6 monthly progress review of the case,
- Completion of statutory returns to the Insolvency Compliance Unit of the Department for Business Innovation and Skills

Staff of different levels were involved in the above activities depending upon the experience required

**1.2 Realisation of assets**

Appendix II shows the realisations made for the benefit of the creditors. In this case the assets belonging to the Company were as follows,

- Stock
- Book Debts

The time spent includes the following matters

- Liaising with VFL leading up to the sale of certain assets of the Company
- Dealing with legal advisors with regards to the sale agreement,
- Corresponding with agents in relation to valuation and realisation of assets,
- Dealing with VFL and Sovereign regarding the ongoing book debt collections

**1.2 Creditors**

The time spent includes the following matters

- Recording and maintaining the list of creditors,
- Recording creditor claims,
- Dealing with specific creditor calls and correspondence,

- Reporting to creditors,
- Dealing with creditor queries

### 1 3 Investigations and communications

The time spent includes the following matters

- Corresponding with Company directors for purposes of conduct report,
- Issuing questionnaires and requests for Statement of Affairs,
- Reviewing Company records and questionnaires and preparing the statutory return in accordance with the requirements of the Department for Business Innovation and Skills

### 1 4 Time recording

Time properly incurred on cases is charged to the assignment at the hourly rate prevailing at the time The current hourly rates are outlined below

	£
Partner	440
Director	325
Manager	300 - 325
Assistant manager	250
Senior Administrator	200 – 220
Administrator	100 – 185
Cashier	125 – 140
Support	70

For your information, A Creditor's Guide to Administrators' Fees can be obtained at [http //www insolvency-practitioners org uk/uploads/Admin pdf](http://www.insolvency-practitioners.org.uk/uploads/Admin.pdf)

## 2.1 Disbursement recovery

### **Category 1 Disbursements**

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying if external provider, statutory advertising and other expenses made on behalf of the assignment

These expenses are detailed as follows

- Company searches are charged at cost
- External meeting room costs
- External document storage costs
- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter

### **Category 2 Disbursements**

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields Corporate Recovery LLP for the provision of services which include an element of recharged overhead, for example, room hire or document storage

The following Category 2 disbursements are currently charged by this firm

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost
- A set-up charge of £50 per case for online creditor reporting

It should be noted that disbursements costs might increase from time to time, however, increases would only be in line with inflation or increases from our supplier