

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company:
Areton International Plastics Limited

Company number:
02606710

In the:
High Court of Justice, Chancery Division,
Manchester District Registry
[full name of court]

Court case number:
3328 of 2008

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

I / We (a) Gary Bell of Cowgill Holloway Business Recovery LLP, 49 Peter Street, Manchester, M2 3NG
administrator(s) of the above company attach a progress report for the period

from / to

(b) 18 August 2008 to 17 February 2009

(b) Insert dates

Signed:

Administrator

Dated:

5/3/09

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

Cowgill Holloway Business Recovery LLP

49 Peter Street, Manchester, M2 3NG

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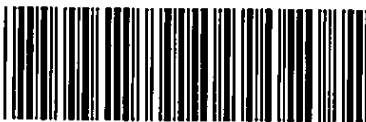
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COMPANIES HOUSE

ARETON INTERNATIONAL PLASTICS LIMITED - (In ADMINISTRATION)

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1. Progress of the Administration

1. THE ADMINISTRATION PERIOD

On 18 August 2008, the Company entered into Administration under Part II of the Insolvency Act 1986.

At the date of appointment there were a total of 26 employees. On this date 14 employees were made redundant.

The remaining 12 employees were retained in order to assist with the winding down of the Company, retention of title claimants, the dismantling of equipment and in order to provide financial information / assistance to the Administrator. It is anticipated that a contribution towards wages and other costs will be made by Kafrit Industries (1993) Limited ("Kafrit").

A further six employees were made redundant on 5 September 2008 and a further redundancy was made on 3 October 2008. Shortly after, one employee submitted his resignation and the remaining 2 employees were made redundant on 31 December 2008.

Retention of Title / Unsecured creditor claims

The Administrator liaised with all suppliers who claimed retention of title to goods held at the Company's trading premises. Retention of title claims were agreed and the Administrator arranged for the agreed claimants to collect their goods.

This has reduced the unsecured creditor's balances significantly. To date, credit notes totalling £34,883.93 have been received from creditors with valid retention of title claims. The Administrator is continuing to chase those suppliers who have yet to submit their credit notes.

There remains one disputed retention of title claim that the Administrator hopes to conclude in the coming weeks.

Site Clearance

The site was cleared on 31 December 2008 and the Administrator handed the premises back to the landlord.

The third party costs of clearing the site and disposing of the hazardous materials totalled approximately £23,948.

2. Receipts and Payments Account

Attached at Appendix 1 is our account of receipts and payments from the commencement of the Administration to 17 February 2009.

RECEIPTS

The Company, at the direction of the Administrator sold, from the completion date (27 August 2008), such right, title and interest as the Company had at that time to the following assets:

The Goodwill	£25,000
The Equipment	£125,000
Finished Goods	£130,000
Total Consideration	£280,000

The purchaser of these assets was Kafrit Industries (1993) Limited, an associated Company by virtue of common directors and shareholders. The sum of £280,000 was paid upon completion, 27 August 2008.

Debtors

The Company's debtors had previously been subject to an Invoice Discounting facility with Barclays Asset and Sales Financing ("Barclays"). Barclay's debenture was assigned to Kafrit on 15 August 2008.

At the date of appointment, a sum of £541,640 was due to the Company in respect of the Sterling account and a sum of €341,318 was due to the Company in respect of the euro account.

The Euro account has been converted into Sterling at the rate of 1.2438 resulting in a sum of £274,416 due to the company.

The combined amount due to the Company in respect of book debts totals £816,056. The Administrators proposals detailed an estimated to realise value of £612,042, after taking into account a bad debt provision of 25%. To date a sum of £733,709 has been received resulting in debtors outstanding of £82,347.

For the purposes of this report the Administrator has assumed that 50% of the remaining debts are collectable. As detailed above, the total amount outstanding at present totals £82,347. The administrator therefore believes that a further £41,173 is collectable.

Insurance Refund

A sum of £1, 584 has been received in respect of the insurance policy held by the Company consisting of a refund of £250 in respect of the insurance excess together with payment of an insurance claim in the sum of £1,334. No further realisations are anticipated from this source.

Business Rates Refund

A refund totalling £3,191 has been received in respect of overpayment of Business rates for the pre appointment period. No further realisations are anticipated from this source.

Sundry Receipt

A sundry refund in the sum of £211 has been received.

Bank Interest

The administrator deposited the proceeds of asset realisations into a high interest account in order to maximise realisations. In total a sum of £4,265 has been received in respect of bank Interest of which £3,143 was received directly in relation to those funds deposited on money market.

PAYMENTS

Professional Fees

The Administrator retained the services of the Company's payroll provider, Matravers & Co Limited ("Matravers") in order to calculate the salaries and the wages of those staff retained after the Administrators appointment.

In addition, Matravers also calculated and completed the PAYE end of year returns for the pre appointment period and the Administration period.

A sum of £724 plus VAT was paid in respect of these services which the Administrator considers to be reasonable in light of the work undertaken.

Legal Fees

Independent Legal advice was sought from Halliwells LLP in respect of the sale of the assets to Kafrit and the validity of their charge. A sum of £2,500 plus VAT was paid in respect of their fee.

Trading Expenses

A number of costs have been incurred in respect of completing the Administration which have included equipment hire, rent, utilities and staffing costs.

Kafrit have agreed to pay a proportion of these costs.

Administrators Fees

The Administrators' remuneration is based on hourly costs at scale rates calculated on the time properly spent in the course of the Administration and was approved by the initial meeting of creditors held on 27 October 2008.

Furthermore, the secured creditor also approved the Administrator's remuneration on 17 December 2008 Pursuant to Rule 2.106 of the Insolvency Rules 1986.

In addition, the Administrator will be reimbursed for his incidental expenses.

Hourly charge-out rates applicable to this matter are as follows:-

	£/per hour
Partner	225
Manager	160
Junior Administrator	70
Cashier	60

Total time spent on this assignment to date amounts to 497.30 hours at an average composite rate of £147.60 per hour resulting in total time costs to 31 January 2009 of £73,401.70. Total remuneration drawn to date in accordance with the above approval amounts to £60,000, leaving unbilled time costs of £13,401.70

I attach at Appendix II a Narrative summary of time costs incurred and summary by staff grade and work activity

ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS, INCORPORATING ESTIMATED OUTCOME FOR CREDITORS

Estimated to realise per Statement of Affairs £	Period 18 August 2008 to 17 February 2009	Receipts & Payments to date £	Anticipated Receipts & Payments £	Projected Outcome £
ASSETS SPECIFICALLY PLEDGED				
88,933	Plant & Equipment	28,107	0	28,107
25,000	Goodwill	25,000	0	25,000
113,933		53,107	0	53,107
Realisation Expenses				
	Administrator's fees	0	-10,000	-10,000
	Agents Fee's	0	-4,000	-4,000
	Legal Fee's	-2,500	0	-2,500
	Corporation Tax	0	-7,500	-7,500
	Net Realisations	50,607	-21,500	29,107
	Fixed charge holder - Kafrit Industries (1993) Limited	-29,107	0	-29,107
		21,500	-21,500	0
ASSETS NOT SPECIFICALLY PLEDGED				
812,042	Book Debts	733,709	51,484	785,173
60,826	Plant & Equipment	60,826	6,000	66,826
36,067	Plant & Equipment	36,067	0	36,067
2,500	Office Furniture & Equipment	0	340	340
27,727	Raw Materials	0	25,859	25,859
130,000	Finished Goods	130,000	0	130,000
1,584	Insurance Refund	1,584	0	1,584
3,910	Business Rates Refund	3,191	0	3,191
	Sundry Receipt	211	0	211
	Contribution to Costs from Kafrit	0	71,033	71,033
	Bank Interest	1,121	300	1,421
	Treasury Bill Gains	3,143	0	3,143
874,656		969,852	164,796	1,124,648
Payments				
	Trading Expenses	-117,178	-1,500	-118,678
	Agent's fees & expenses	0	-11,000	-11,000
	Statutory Advertising	-319	0	-319
	Administrators Fees	-80,000	-5,000	-85,000
	Administrators Disbursements	0	-171	-171
	Bank charges & Sundry	-83	-50	-133
	Bordereau (statutory bond)	0	-820	-820
	Site Clearance Fees	-23,948	0	-23,948
	Professional Fees	-724	0	-724
	Mail redirection	-50	0	-50
		-202,300	-18,341	-220,641
	Available for preferential creditors	767,552	136,455	904,007
	Arrears of wages and holiday pay	0	-25,600	-25,600
	Arrears of Pension Contributions	0	-4,856	-4,856
	Net property	767,552	-30,256	873,751
	Prescribed part of net property set aside for unsecured creditors	0	0	0
	Available for floating charge holder	767,552	-30,256	873,751
	Floating charge holder - Kafrit Industries (1993) Limited	-570,893	-294,143	-865,036
		218,159	-179,188	38,971