

In accordance with Schedule B1, paragraph 53(2) of the Insolvency Act 1986

The Insolvency Act 1986

**Notice of result of meeting of Creditors**

Name of Company Rivington Biscuits Limited	Company number 03182725
In the High Court of Justice, Chancery Division, Manchester District Registry (full name of court)	Court case number 3159 of 2016

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

I/We (a)  
Russell Stewart Cash  
FRP Advisory LLP  
7th Floor  
Ship Canal House  
98 King Street  
Manchester  
M2 4WU

Ben Woolrych  
FRP Advisory LLP  
7th Floor  
Ship Canal House  
98 King Street  
Manchester  
M2 4WU

hereby report that a meeting of the creditors of the Company was held at

(b) Insert place of  
meeting  
(c) Insert date of meeting

(b) Orega, 76 King Street, Manchester, M2 4NH  
on (c) 21 February 2017 at which:

\*Delete as applicable

\*1 The Administrators' Proposals were approved

The modifications made to the proposals are as follows -

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

(d) None

\*3 Resolutions in relation to the Administrators' Pre and Post Appointment Remuneration were rejected

(e) Insert time and date of  
adjourned meeting  
(f) Details of other  
resolutions passed

\*4. The meeting was adjourned to (e) Not applicable

\*5 Other resolutions (f)

- Mileage can be recharge at the HMRC approved mileage rate at the time the mileage was incurred

- The Joint Administrators' discharge from liability shall take effect in accordance with Paragraph 98 of Schedule B1 to the Insolvency Act 1986 30 days following either the Company entering Liquidation or CVA or filing the notice of moving from Administration to Liquidation

The revised date for automatic end to administration has not changed and remains 12 December 2017.

A creditors' committee was not formed

Signed

  
Joint Administrator

Dated

02/03/2017

FRIDAY



\*A61EVXJ7\*

A19

03/03/2017

#337

COMPANIES HOUSE

**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

Russell Stewart Cash  
FRP Advisory LLP  
7th Floor  
Ship Canal House  
98 King Street  
Manchester  
M2 4WU

DX Number

0161 833 3344  
DX Exchange

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**



**Rivington Biscuits Limited (In Administration)**  
**The Administrators' Proposals**  
**7 February 2017**



# Contents and Abbreviations

Section	Content	The following abbreviations are used in this report:	
1.	Introduction and circumstances giving rise to the appointment of the Administrators	FRP	FRP Advisory LLP
2.	Conduct of the Administration	The Company or Rivington	Rivington Biscuits Limited (In Administration)
3.	The Administrators' Remuneration, Disbursements and Pre-Administration Costs	The Administrators	Russell Stewart Cash and Ben Woolrych of FRP Advisory LLP
4.	Estimated Outcome for the Creditors	The Insolvency Rules	The Insolvency (England and Wales) Rules 1986
Appendix	Content	CVL	Creditors' Voluntary Liquidation
A.	Statutory information about the Company and the Administration	CVA	Company Voluntary Arrangement
B.	Administrators' Receipts & Payments Account	SIP	Statement of Insolvency Practice
C.	The Administrators' Remuneration, Disbursements and Costs information	QFCH	Qualifying Floating Charge Holder
		HMRC	HM Revenue & Customs
		LBCF	Lloyds Bank Commercial Finance
	<ul style="list-style-type: none"> <li>• Estimated Outcome Statement</li> <li>• Schedule of work</li> <li>• FRP disbursement policy</li> </ul>	Lloyds	Lloyds Banking Group
D.	Schedule of Pre-Administration Costs	LSH	Lambert Smith Hampton
E.	Details of the Financial Position of the Company	VD	Van Delft
		WB	Wignall Brownlow

## 1. Introduction and circumstances giving rise to the appointment of the Administrators

On 13 December 2016, the Company entered Administration and Russell Stewart Cash and Ben Woolfych were appointed as Administrators.

This document, together with its appendices, forms the Administrators' statement of proposals to creditors in accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules.

Certain statutory information about the Company and the Administration is provided at **Appendix A**.

### Background information regarding the Company

The Company was incorporated on 3 April 1996 and manufactured wafers and biscuits. It traded from premises at Ormside Close, Hindley Green Industrial Estate, Wigan, WN2 4HR (‘the Property’) and at the date of appointment employed 125 employees.

Its immediate parent company is Rivington Holdings Limited and Florin BV, a private company incorporated in the Netherlands, is its ultimate parent company. At the date of administration, the Company had two directors and a secretary:

- Mr Oscar Sybrand De Lange
- Mr Martijn Rafael Van Der Zwan
- Mr Tim Sanders (Secretary)

The following charges were registered:

- LBCF - all assets debenture created 14 December 2012
- Lloyds Bank PLC:
  - Mortgage deed created 29 November 2013;
  - Debenture created 20 December 2013; and
  - Mortgage deed created 30 December 2013.

### Events leading to the appointment of the Administrators

On 6 May 2009, Florin BV acquired the shares of the Company's parent company. Turnover grew from £6m in 2009 to £17.5m in 2014. A summary of the recent financial position is included within **Appendix A**.

In 2015, turnover decreased to £15.7m and the Company made an operating loss of £321k. Turnover continued to fall in 2016. The decrease was in part due to the Company's decision to cease production of unprofitable private label business but also because it was unable to replace other private label business when customers de-listed it.

Van Delft made various efforts and huge investments to overcome the losses. Margins were small due to very low pricing resulting from a competitive market and the various attempts to change the product range were not successful enough. While there was significant investment in a production line to make cookies which added some margin, it was not enough to prevent further losses.

Rivington's costs also increased. During 2016, it struggled to attract staff of sufficient quality and experience which led to more time spent training new staff. In turn, this made the production process less efficient as it led to more downtime and waste being produced.

The Company was financed in euros and after the Brexit vote in 2016, it is well documented that the value of the pound fell sharply against the euro. Furthermore, the cost of key raw materials such as fat, sugar and chocolate increased in the second half of 2016.

Faced with a deterioration in the business' performance, the directors took advice from another firm of insolvency practitioners to consider the options available to them.

However, in early December 2016, the Directors decided to use a different firm of insolvency practitioners to assist them and the Company's solicitors, Weightmans LLP, introduced the directors to Russell Cash of FRP Advisory LLP on Tuesday 6 December 2016 with a view to planning for an administration of the Company in short order. The directors indicated that the factory would run out of raw material by the beginning

## **1. Introduction and circumstances giving rise to the appointment of the Administrators**

of w/c 12 December 2016 and in the intervening period, FRP sought to understand the current position of the business to implement a strategy for the Administration:

Key considerations in the week prior to the Administration included:

- the contractual position of each customer and whether continuity of trading was required to secure payment from the Company's customers;
- the composition of the finished goods which would be available to trade out and the leverage which could be obtained from doing so;
- the likely outcome and cash requirement for the Administration period so that appropriate funding could be put in place to enable payments to be made in relation to Administration commitments; and
- assessing how many employees could be retained to support the strategy.

### **Appointment of the Administrators**

The Directors filed a notice of intention to appoint Administrators on 9 December 2016 and this was served on the QFC holders, LBCF and Lloyds. Consent was given by LBCF on Friday 9 December and by Lloyds on 12 December 2016.

Russell Cash and Ben Woolrych were appointed Joint Administrators at 11:15am on 13 December 2016.

## 2. Conduct of the Administration

### The objective of the Administration

The Administrators think that objective (a) of the Administration, as detailed in Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986, being to rescue the Company as a going concern will not be achieved because of the financial position of the Company. The Administrators are pursuing a going concern sale of the business and assets with a view to achieving objective (b), a better result for the Company's creditors as a whole than would be likely if the Company had been wound-up (without first being in Administration).

### The Administrators' actions to date

Details of work already undertaken or anticipated will be undertaken is set out in the schedule of work attached at **Appendix C**. Highlights to date include:

#### Trading

- Contacting key suppliers regarding their stock held on site and gauging their gagging appetite to supply the Administrators to enable continuation of production.
- Performing limited production to finalise WIP so that product would not perish.
- Dealing with retention of title claims.
- Contacting hauliers and storage providers to ensure continued supply.
- Ongoing update and review of the Administration cash flow forecast and staffing requirements.
- Contacting the buying teams within the customer base to notify them of the administration, what levels of stock the Company was holding and to start the process of collecting what is due to the Company.

#### Employees

- Ensuring that the Company continued to follow all food hygiene / health & safety regulations.
- One customer has a live contract in place with the Company. In order to protect as much of the debt due from the customer, we have held negotiations and reached agreement with the customer to continue to produce and provide ongoing supply in the short term (the Customer Order).

- Addressing / contacting the 125 employees as quickly as possible after appointment.

- Assisting the 99 employees who were made redundant on appointment with the completion of form RP1 and sending out P45s.

- Updating retained employees on the progress of the Administration.

- Liaising with retained staff and staffing agencies about forecast staff requirements.

#### Book Debts

- Ensuring all invoices and credit notes were posted to the ledger and reconciling the current funds in use on the LBCF facility so that the opening position could be established.

- Contacting customers initially through their buying teams to establish appropriate finance contacts to ensure ledger balances could be reconciled, copy invoices and proof of delivery provided and payments plans agreed.

- Ongoing reporting to LBCF on the status of the collection.

## 2. Conduct of the Administration

### Assets

- Obtaining and deactivating keys and pass cards as appropriate along with changing of locks on key entry/exit points.
- Liaising with our insurance brokers to ensure appropriate cover was in place to protect the assets.
- Instructing LSH to value the plant and machinery and WB to value the Property.
- Instructing Businesswise Solutions to oversee utilities during the trading period and to investigate whether there may be any refunds due to the Company.
- Returning leased assets, such as motor vehicles, to hire companies.

### Statutory

- Notifying all relevant stakeholders of appointment of Administrators.
- Putting a bond in place.
- Drafting and circulating the Administrators' Proposals and convening a meeting of creditors.
- Liaising with the Directors in connection with the Statement of Affairs and Directors' Questionnaires in order that investigations under the Company Directors Disqualification Act 1986 can be undertaken.

### Sale of business

During the time afforded to the Administrators as a result of ongoing trading, they have been marketing the business and assets for sale as a going concern. The Administration generated significant press interest and this has brought a number of

parties forward. In addition, the FRP data room system has identified 141 parties who have previously expressed interest in businesses in this sector and of this size. To date, 44 parties have signed non-disclosure agreements covering interest in both the business as a going concern and some or all of the assets. Those parties which have indicated an interest in the assets of the business on a break up basis will be contacted in due course if a sale of the business does not occur.

A number of site visits have been conducted and these continue to be arranged with interested parties. Discussions are ongoing with a number of interested parties and information is being provided for them to consider the options further.

### Matters to be progressed following this report

Following approval of the Proposals, the Administrators will continue to conduct the Administration to achieve the purpose of the Administration. Key matters to be undertaken include:

- Monitoring production to ensure that the Customer Order can be fulfilled in the most efficient way possible, which minimises costs and maximises the recovery of the debt owed to the Company.
- Continuing to pursue collection of the Company's debts.
- Realising the Company's assets, including but not limited to the Property, Plant & Machinery and Intellectual Property, either by way of a sale of the business as a going concern or in the event this is not possible, a sale of the assets by private treaty or auction;
- Investigating and, if appropriate, pursue any claims that the Company may have against any person, firms or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company.



## 2. Conduct of the Administration

- Distributing realisations to the secured and preferential creditors where applicable.
- Seeking an extension of the Administration if needed;
- Ensuring all statutory and compliance matters are attended to; and
- Paying all Administration expenses and bring the Administration to an end when deemed appropriate by the Administrators.

### Receipts and Payments Account

A copy of the Administrators' receipts and payments account to date is attached as **Appendix B**. This does not fully reflect the position as it is drawn on a cash basis as opposed to an accruals basis. Notwithstanding this, we comment on the following material figures:

- The trading loss does not include all sales made and costs which have been incurred as it is on a cash, not accruals, basis.
- Funding of trading activity - £64k has been received from LBCF to fund immediate costs, such as wages; and
- Stock realisations of £90k to date. £400k has been sold to date and we are awaiting payment from customers for the balance in accordance with agreed terms.

There are no book debts included within the receipts and payments account as all receipts to date have been paid into the LBCF facility.

### The Directors' Statement of Affairs

The Directors of the Company have been asked to submit a Statement of Affairs under paragraph 47 of Schedule B1 of the Insolvency Act 1986 and this is awaited. The Directors are in the middle of preparing the Statement of Affairs and we are expecting this to be received by the end of February 2017.

Details of the financial position of the Company at the latest practical date, prepared from information available to the Administrators and including a list of creditors' names and addresses is provided at **Appendix F**. As and when the Directors' Statement of Affairs is received it will be filed with the Registrar of Companies.

### Matters requiring investigation

I am required as part of my duties to establish what assets the Company owns and to consider the way in which the Company's business has been conducted, and am required under the provisions of the Company Directors Disqualification Act 1986 to report to the Secretary of State for Business Innovation and Skills on the conduct of the directors. If you have any information or concerns regarding the way in which the Company's business has been conducted, or have information regarding potential recoveries for the estate please contact me as soon as possible.

### The end of the Administration

The Administration will end automatically after 12 months from the date of appointment of the Administrators. This period can be extended with consent of the creditors for up to 12 months or longer by application to the Court as required.

If the Administrators think the Company has no property which might permit a distribution to its unsecured creditors, or if they also consider that an exit from the Administration into Liquidation is not appropriate they will send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986 to bring the Administration to an end and three months after the filing of the notice the Company will be deemed to be dissolved.

## 2. Conduct of the Administration



If the Administrators are of the view that a dividend will become available to the unsecured creditors (other than by virtue of the prescribed part) it is appropriate for the Company to move from Administration into CVL pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986. If applicable the Administrators will take steps to place the Company into CVL.

Should a dividend not become available to the unsecured creditors but it is still appropriate for the Company to enter Liquidation, the Administrators will petition the Court pursuant to Paragraph 79 of Schedule B1 to the Insolvency Act 1986 for an order to bring the Administration to an end with a consequential order for the compulsory winding up of the Company.

Pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986, should the creditors not nominate a Liquidator, the proposed Liquidators in a CVL are to be the Administrators or any successor office holder(s). Any act to be done by the Liquidators may be done by all or any one of them. Pursuant to Paragraph 83(7) (a) of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules, creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals are approved.

The Liquidators in a compulsory winding up will be appointed by the Court and may be the Administrators, or any successor office holder(s).

If the Administrators are of the view that it is appropriate for the creditors to consider the approval of a CVA the proposed supervisors are to be the Administrators or any successor office holder(s). Creditors may nominate different supervisors when considering whether to approve the CVA proposals.

### Meeting of Creditors

A meeting of creditors is being convened under Paragraph 51 of Schedule B1 to the Insolvency Act 1986 on 21 February 2017 to enable creditors to consider the following:

- Approval of the Administrators' Proposals, with or without modifications; and
- The appointment of a creditors' committee.

If, at the meeting of creditors, a creditors' committee is appointed, the following will require the determination of the creditors' committee:

- The basis of the Administrators' Remuneration;
- Approval of the payment of the Administrators' Disbursements for mileage costs;
- Approval of the Administrators' Pre-Appointment costs being met as an expense of the Administration; and
- The approval of the Administrators' discharge from liability in accordance with Paragraph 98 of Schedule B1 to the Insolvency Act 1986.

If a creditors' committee is not appointed the above will be determined by the creditors.

If you intend to be present or represented at the meeting, please return your completed proof of debt form and proxy form, and give information about any security that you hold. Completed proxy forms and proof of debt forms should be returned to these offices by 12 noon on the business day preceding the date of the meeting.

### 3. The Administrators' Remuneration, Disbursements and Pre-Appointment Costs



#### Administrators' Remuneration

A schedule of the work to be undertaken during the Administration is set out at **Appendix C** together with an estimated outcome statement which includes an estimate of the expenses likely to be incurred by the Administrators.

The Administrators' Remuneration will be drawn from the Company's assets and it is proposed that it will be charged as a percentage of the value of the assets dealt with and also by a set amount. Further details of how this will be calculated is set out below. The basis of the Administrators' Remuneration has not yet been approved by creditors, and the Administrators have not drawn any remuneration in this case to date.

The Administrators' fees for dealing with the assets subject to a fixed charge will be agreed with LBCF and Lloyds.

Should the Company subsequently be placed into Liquidation and the Administrators appointed as Liquidators, the basis agreed for the drawing of the Administrators' remuneration will also be that utilised in determining the basis of the Liquidators' remuneration, in accordance with the Insolvency Rules.

#### *Remuneration charged on a percentage of the value of the property*

It is proposed that Administrators' fees will be charged as a percentage of the gross realisations (net of VAT) of all assets realised.

- 2.5% of book debt realisations up to £1m of collections and 5% above £1m of collections.
- 5% of realisations on Property, Intellectual Property, Stock, Plant & Machinery and any other asset realised.

We anticipate that requesting the approval of part of our remuneration as a percentage of the value of the assets will give greater certainty to creditors over the

sum to be charged, aligns the interest of the Administrators with the creditors, reduces the administrative burden to provide detailed time recording information to creditors and represents a fair and reasonable reflection of the work it is anticipated will be undertaken by the Administrators.

#### *Remuneration charged as a set amount*

It is proposed that the Administrators will charge a fixed fee of £115,000 in respect of the categories of work set out in the schedule of work attached at **Appendix D**.

- A fixed fee of £75,000 to deal with all aspects of the appointment and statutory matters
- A fixed fee of £15,000 to deal with all statutory aspects of any subsequent liquidation
- A fixed fee of £25,000 to deal with the agreement of creditor claims and the payments of a dividend in any subsequent Liquidation.

We anticipate that requesting the approval of part of our remuneration as a set amount will give certainty to creditors over the sum to be charged, reduces the administrative burden to provide detailed time recording information to creditors and represents a fair and reasonable reflection of the work it is anticipated will be undertaken by the Administrators.

#### Administrators' Disbursements

The Administrators' disbursements are a recharge of actual costs incurred by the Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the Administration of the Company, are paid by FRP at the HMRC approved mileage rate. It is proposed mileage is recharged and drawn at the HMRC approved mileage rate prevailing at the time the mileage was incurred.

### **3. The Administrators' Remuneration, Disbursements and Pre-Appointment Costs**

#### **Pre-Administration costs charged or incurred by the Administrators**

Attached at **Appendix D** is a statement of Pre-Administration costs charged or incurred by the Administrators of £26,832.50 plus disbursements of £85.80.

I am seeking to obtain approval from creditors for the payment of this amount and a stand-alone separate resolution is included on the proxy form attached.

#### **Creditors' ability to challenge the Administrators' remuneration and expenses**

Creditors have a right to request further information from the Administrators and further have a right to challenge the Administrators' remuneration and other expenses under the Insolvency Rules following receipt of a progress report. Further details of these rights can be found in the Creditors' Guide to Fees which you can access by using the following link <http://creditors.frapadvisory.com/feesguide.htm> and select the one for administrations. Alternatively, a hard copy of the relevant guide will be sent to you on request.

## 4. Estimated outcome for the creditors

### Estimated Outcome Statement

We attach at **Appendix C** an estimated outcome statement which has been prepared from the information provided by the Directors, advice received in connection with the value of the Company's assets, estimated sums due to creditors and an estimate of our remuneration and other expenses that may be incurred during the course of this Administration. The assumptions made in preparing the estimated outcome statement details are set out in the schedule of work.

Based on the information available to date and the assumptions made I set out below the anticipated the outcome for creditors:

#### Outcome for Secured Creditor

At the date of appointment, LBCF was owed £1.174m and this is expected to be repaid in full from book debt realisations. At the date of this report, LBCF is owed £288k.

Lloyds is owed approximately £950k and this is secured by way a fixed charge on the Company's Property. We expect that Lloyds will be repaid in full from the proceeds of the sale of the Property.

#### Outcome for Preferential Creditors

It is currently estimated that preferential creditors total £68,300, being the employees' preferential element for arrears of pay and holiday pay as calculated in accordance with legislation. It is anticipated that preferential creditors will be paid in full.

#### Outcome for Unsecured Creditors

Based on the assumptions made in the estimated outcome statement it is currently estimated that there will be sufficient funds available to make a distribution to unsecured creditors in due course. This distribution will be paid by a subsequently appointed Liquidator, however, it is not possible to estimate the level of distribution that may be made as not all of the assets have been realised, claims have not been agreed and the costs of the Liquidation have not been approved.

### Prescribed Part

The Prescribed Part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with section 176A of the Insolvency Act 1986. The Prescribed Part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000.

A Prescribed Part is not expected because it is anticipated that the secured creditors will be repaid in full under their fixed charges and will not have to rely on their floating charges in this case.



## Appendix A

### Statutory information about the Company and the administration

#### COMPANY INFORMATION:

Other Trading Names: None

Date of Incorporation: 03 April 1996

Company Number: 03182725

Registered Office: Ormside Close  
Hindley Industrial Estate  
Hindley Green  
Wigan  
WN2 4HR

Previous Registered Office: As above

Business Address: As above

Directors: Oscar Sybrand De Lange  
Martijn Rafael Van Der Zwan

Company Secretary: Tim Sanders

The directors and Company secretary have the following shareholdings in the Company:

Name	Shares	Type	%
O. De Lange	Nil	Nil	Nil
M. Van Der Zwan	Nil	Nil	Nil
T. Sanders	Nil	Nil	Nil

#### ADMINISTRATION DETAILS:

Names of Administrators: Russell Stewart Cash and Ben Woolrych

Address of Administrators: FRP Advisory LLP  
7th Floor, Ship Canal House  
98 King Street, Manchester  
M2 4WU

Date of appointment of Administrators: 13 December 2016

Court in which Administration proceedings were brought: The High Court of Justice, Chancery Division, Manchester District Registry

Court reference number: 3159 of 2016

Date of notice of intention to appoint Administrators presented to Court: 9 December 2016

Application for Administration appointment made by: Directors

Consent to the notice to appoint an Administrator provided by the qualifying charge holder as follows:

Holder of Qualifying Floating Charge	Date of consent
1. LBCF	9 December 2016
2. Lloyds	12 December 2016

## Appendix A

### Statutory information about the Company and the administration



The appointment of the Administrators included a declaration that they are acting jointly and severally as Administrators of the Company in accordance with Paragraph 100 of Schedule B1 to the Insolvency Act 1986. The EC Regulation on Insolvency Proceedings will apply in this matter and accordingly the administration will constitute main proceedings.

Extracts from the financial statements available are summarised below:

Profit and Loss	Management Accounts			Audited Accounts		
	Period Ended	Year Ended	Year Ended	Period Ended	Year Ended	Year Ended
	31/10/2016	31/12/2015	31/12/2014	31/10/2016	31/12/2015	31/12/2014
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Turnover</b>	11,473	15,782	17,515			
<b>Cost of Sales</b>	(9,508)	(12,869)	(13,920)			
<b>Gross Profit</b>	1,965	2,913	3,595			
<b>Overheads etc.</b>	(3,151)	(3,235)	(3,214)			
<b>Operating (Loss)/Profit</b>	(1,186)	(322)	381			
<b>Interest Payable</b>	(354)	(90)	(107)			
<b>Taxation</b>		80	(23)			
<b>(Loss)/Profit</b>	(1,540)	(332)	251			

  

Balance Sheet	Management Accounts			Audited Accounts		
	Period Ended	Year Ended	Year Ended	Period Ended	Year Ended	Year Ended
	31/10/2016	31/12/2015	31/12/2014	31/10/2016	31/12/2015	31/12/2014
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Fixed Assets</b>						
Tangible	4,741	4,907	4,357			
Intangible	-	-	16			
<b>Current Assets</b>						
Stock	1,495	1,533	1,437			
Debtors	5,005	5,275	5,859			
Cash	13	357	182			
<b>Total Assets</b>	<b>11,254</b>	<b>12,072</b>	<b>11,851</b>			
<b>Creditors</b>						
Current Creditors	(6,308)	(5,606)	(4,876)			
Long Term Liabilities	(2,412)	(2,391)	(2,569)			
<b>Net Assets/Liabilities</b>	<b>2,534</b>	<b>4,075</b>	<b>4,406</b>			



## **Appendix B**

### **Administrators' Receipts & Payments Account**



Statement of Affairs	£	From 13/12/2016 To 06/02/2017	£
POST APPOINTMENT SALES		21,778.03	64,234.86
Sales			64,234.86
Facility Provided by Lloyds		86,012.89	
PURCHASES		46,800.00	(46,800.00)
Purchases (1)			
OTHER DIRECT COSTS		63,192.26	1,367.13
Direct Wages			
Pensions and Expenses			
TRADING EXPENDITURE		1,952.98	359.52
Indirect Labour			
Telephone			
Carriage			
Professional Fees			
Lease/HP Payments			
Hire of Equipment			
Repairs & Maintenance			
Health & Safety			
IT Costs			
VAT - Irrecoverable			
TRADING SURPLUS/(DEFICIT)		(56,456.40)	(56,456.40)

**Rivington Biscuits Limited  
(In Administration)  
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 13/12/2016 To 06/02/2017 £	From 13/12/2016 To 06/02/2017 £
<b>SECURED ASSETS</b>		
Freehold Land & Property	NIL	NIL
Intellectual Property	NIL	NIL
<b>ASSET REALISATIONS</b>		
Plant & Machinery	NIL	NIL
Stock	90,014.39	90,014.39
Trading Surplus/(Deficit)	(56,456.40)	(56,456.40)
	33,557.99	33,557.99
<b>COST OF REALISATIONS</b>		
VAT Irrecoverable	141.64	141.64
Bank Charges - Floating	51.00	51.00
	(192.64)	(192.64)
	<b>33,365.35</b>	<b>33,365.35</b>
<b>REPRESENTED BY</b>		
Vat Recoverable - Floating		4,037.96
IB Banking Floating		34,939.52
Trade Creditors		3,744.28
Vat Payable - Floating		(9,356.41)
		<b>33,365.35</b>

Russell Stewart Cash  
Joint Administrator

## Appendix C

### The Administrators' Estimated Remuneration, Disbursements and Costs Information



<b>Rivington Biscuits Limited - In Administration</b> <b>Statement of expenses for the period ended</b> <b>7 February 2017</b>	
	<b>Period to</b> <b>7 February 2017</b> <b>£</b>
<b>Expenses</b>	
Office Holders' remuneration (Time costs)	-
Office Holders' remuneration (Fixed Fee)	115,000
Office Holders' remuneration (Percentage)	-
Office Holders' disbursements	3,287
Pre appointment Remuneration - FRP	26,833
Pre appointment disbursements - FRP	86
Agents fees - LSH	-
Agents fees - WB	-
Agents fees - Businesswise	-
Agents fees - CVS	6,002
Legal fees - Gateley plc	18,500
Stationery & Postage	-
Storage costs	-
Redirection of mail	-
Statutory Advertising	-
Security costs	400
Insurance	20,000
Bank charges	51
<b>Total</b>	<b>190,158</b>

**Rivington Biscuits Limited - In Administration**  
**Estimated Outcome Statement as at 7 February 2017**

£'000	Estimated to Realise	Notes
<b>Assets specifically pledged</b>	1,800	
Book debts	(1,174)	
Amount due to LBCF	(65)	1
<b>Surplus / (Shortfall)</b>	<b>561</b>	
<b>Assets subject to fixed charge</b>		
Property	TBC	2
Intellectual property	TBC	
<b>Cost of Realisations</b>	<b>0</b>	
Administrators' Fees	TBC	3
Legal Fees	TBC	4
Agents Fees	TBC	5
Amount available for Lloyds Bank	<b>0</b>	
Amount due to Lloyds Bank	(950)	
<b>Surplus / (Shortfall)</b>	<b>(950)</b>	
<b>Assets subject to Floating Charge</b>		
Surplus from Book debts (brought down)	561	
Surplus from Fixed charge (brought down)	0	
Plant & Machinery	TBC	2
Stock	400	
Trading loss	(150)	6
<b>Cost of Realisations</b>	<b>811</b>	
Joint Administrators' pre appointment fees and expenses	(27)	
Joint Administrators' fees		
<i>Fixed fee - statutory and trading</i>	(75)	
<i>Percentage - Plant &amp; Machinery</i>	TBC	3
<i>Percentage - Stock</i>	(20)	
Joint Administrators' disbursements	(5)	
Legal fees	(30)	
Agents fees	TBC	5
Insurance	(20)	
Other	(10)	
<b>Amount available for Preferential Creditors</b>	<b>624</b>	
Preferential Creditors	(68)	7
<b>Available for Unsecured Creditors</b>	<b>556</b>	
Unsecured creditors	(4,945)	
<b>Deficit to Unsecured Creditors</b>	<b>(4,389)</b>	
<b>Dividend available</b>	<b>0.112</b>	

**Notes:**

1. 2.5% up to £1m of collections and 5% over £1m of collections.
2. In order not to prejudice ongoing sale negotiations, we have not disclosed this figure.
3. Where Administrators' fees are expressed as TBC, we have proposed 5% of realisations.
4. Legal fees are likely to be a percentage of the sale of the Property.
5. Agents fees are likely to be a percentage of the assets sold.
6. We estimate the trading loss will enhance debtor collections by £200k and stock realisations by £100k.
7. This is an estimate for arrears of wages and holiday pay for employees made redundant on appointment.

**Rivington Biscuits Limited (In Administration)**  
**Schedule of Work**

The table below sets out a detailed summary of the work undertaken by the office holders during the reporting Period together with an outline of work still to complete.

<b>GENERAL ASSUMPTIONS IN COMPILING THIS SCHEDULE OF WORK</b>	
<ul style="list-style-type: none"> <li>• The records received are complete and up to date</li> <li>• There are no matters to investigate or pursue</li> <li>• The work that may be undertaken by any subsequently appointed Liquidator has been excluded</li> <li>• No financial irregularities are identified</li> <li>• A committee of creditors is not appointed</li> <li>• There are no exceptional queries from stakeholders</li> <li>• Full co-operation of the directors and other relevant parties is received as required by legislation</li> <li>• There are no health and safety or environmental issues to be dealt with</li> <li>• The case will be closed within one year</li> </ul>	

<b>Note</b>	<b>Category</b>			
<b>1</b>	<b>ADMINISTRATION AND PLANNING</b> <b>Work undertaken to date</b>	<b>ADMINISTRATION AND PLANNING</b> <b>Future work to be undertaken</b>	<b>Fixed Fee</b>	<b>£75,000</b> <b>(across all</b> <b>areas where</b> <b>Fixed Fee</b> <b>quoted)</b>
	<i><b>Pre-appointment matters</b></i>	<b>General matters</b>		
	Conference calls and meetings with the directors and their advisors to agree / discuss the administration strategy.  Review of customer and other contracts.  Meetings with LBCF / Lloyds to discuss the proposed strategy and potential funding requirements.	Dealing with queries from current and former employees with their claims and liaising with the Redundancy Payments office as required.  General review of the conduct of the case and strategy to ensure compliance with the insolvency practitioners' regulatory professional body to ensure all statutory matters are attended to.		

**Rivington Biscuits Limited (In Administration)**  
**Schedule of Work**

Production of an administration trading and cash flow forecast to consider all options and the impact of each.			
Assisting the directors with employee matters, in particular the filing of form HR1.			
Liaising with Weightmans LLP in relation to appointment formalities and preparation of pre-appointment documentation			
Liaising with advisors and all stakeholders regarding a press release.			
<b><i>Regulatory Requirements</i></b>			
Completion of money laundering risk assessment procedures and Know your client checks in accordance with the Money Laundering Regulations.	Continued reference to statutory provision throughout the case in relation to direction, review and reporting requirements.		
Completion of internal take on procedures which include consideration of professional and ethical matters and other legislation such as the Bribery Act, Data Protection Act.			
In addition to the above take on procedures to consider if there are any other case specific matters be aware of prior to or on appointment, for example health and safety concerns given the Company is a food manufacturer. Also consideration of the impact of the loss of the Pink Panther license for the Company.			
<b><i>Case Management Requirements</i></b>			
Determine case strategy and to document this in accordance with internal procedures	Regularly reviewing the conduct of the case and the case strategy and updating as required by the ICAEW to ensure all statutory matters are attended to and to ensure the case is progressing.		

# Rivington Biscuits Limited (In Administration)

## Schedule of Work

Obtaining legal advice on the validity of appointment to ensure all required documentation has been properly filed and submitted. In addition this would include a review of any security documentation to confirm the validity of any charges.			
Setting up and administering bank accounts throughout the duration of the case			
Assisting the directors where needed in producing the Company's Statement of affairs			
Compiling a forecast of the work that has been or is anticipated will be undertaken throughout the duration of the case, circulating this to creditors together with other such documentation as required to enable the relevant approving creditors to assess and vote on the fee bases proposed.			
Instruction of the following professional firms to assist the administrators:			
<ul style="list-style-type: none"> <li>Lambert Smith Hampton – to value the plant &amp; machinery and advise on the best method to realise these assets</li> <li>Wignall Brownlow – to value the property and advise on the best method of disposal</li> <li>Both firms have suitable PI cover and hold RICS qualifications</li> </ul>			



# Rivington Biscuits Limited (In Administration)

## Schedule of Work

2	ASSET REALISATION Work undertake to date	ASSET REALISATION Future work to be undertaken	Percentage of realisations	2.5% on book debt recovers up to £1m and 5% thereafter
<p>One of the main purposes of an insolvency process is to realise the insolvency assets and to ensure a fair distribution of the proceeds to the creditors in the correct order of priority as set out by legislation.</p> <p>Ensuring appropriate insurance has been put in place to ensure available assets are protected until such time as they are realised.</p> <p>Changing locks and ensuring keys and access cards were taken from former employees and deactivated</p> <p>Set up the online FRP data room including:</p> <ul style="list-style-type: none"> <li>• Searching existing members who may have an appetite to buy the business</li> <li>• Compiling and preparing information to share with interested parties: <ul style="list-style-type: none"> <li>◦ Financial Information</li> <li>◦ Capex history</li> <li>◦ Schedule of plant &amp; machinery</li> <li>◦ Details of trademarks</li> <li>◦ Property particulars</li> </ul> </li> <li>• Dealing with interested parties and arranging site visits for both going concern and asset only purchasers</li> </ul> <p><b>Book debts</b></p>	<p>Continue to liaise with interested parties and set a deadline for receiving offers for a sale of the business as a whole.</p> <p>If no acceptable offer is forthcoming market the Property, Plant and Intellectual Property (IP) via private treaty or auction to maximise the return for creditors.</p> <ul style="list-style-type: none"> <li>• Given the nature of the plant, we expect it may take up to six months to market, sell and have the plant removed from site.</li> <li>• instruct our agents to bring the Property to market</li> <li>• consider the instruction of a specialist IP to sell the IP</li> </ul> <p><b>Book debts</b></p> <p>We will continue to liaise with customers to ensure that balances which are still not agreed are finalised and payment received</p> <p><b>Stock</b></p>			<p>5% of realisation on all other assets</p>

# **Rivington Biscuits Limited (In Administration)**

## **Schedule of Work**

	<p>Ensuring all invoices and credit note were posted to the ledger and reconciling the current funds in use on the LBCF facility so that the opening position could be established</p> <p>Contacting customers initially through their buying teams to establish appropriate finance contacts to ensure ledger balances could be reconciled, copy invoices and proof of delivery provided and payments plans agreed.</p> <p>Ongoing conversations and email correspondence with customers</p> <p>Dealing with pricing and other disputes which may dilute collections.</p> <p>Ongoing reporting to LBCF on the status of the collection</p> <p><b>Stock</b></p> <p>Given the stock is food related, ensuring stock is sold on a timely basis to ensure customers will not reject the stock based on insufficient shelf life.</p> <p>Selling short dated stock through approved channels</p>	<p>We have sold a large proportion of the stock which was in hand on appointment and we will continue to sell this through</p>		
3	<b>STATUTORY COMPLIANCE AND REPORTING</b> Work undertaken to date	<b>STATUTORY COMPLIANCE AND REPORTING</b> Future work to be undertaken	<b>Fixed Fee</b>	<b>£75,000</b> (across all areas where Fixed Fee quoted)

# Rivington Biscuits Limited (In Administration)

## Schedule of Work

	<p>Provide creditors with the proposals for the conduct of the Administration for approval by creditors in accordance with legislation.</p> <p>To obtain creditor approval for the basis on which the office holder's fees will be calculated.</p> <p>To calculate and protect the value of assets that are not subject to a charge by obtaining a bond to the correct level.</p> <p>Advertising notice of the office holders' appointment as required by statute.</p> <p>Reviewing company records and other available information to establish the existence of any pension schemes and staging dates for auto-enrolment and take appropriate action to notify all relevant parties and appoint independent trustees if required</p>	<p>We will provide statutory reports to various stakeholders at regular intervals and manage any queries arising.</p> <p>To place legal advertisements as required by statute which may include formal meetings of creditors and notices to submit claims</p> <p>Dealing with pre and post appointment VAT and corporation tax returns as required.</p> <p>To deal with the statutory requirements in order to bring the case to a close and for the office holder(s) to obtain their release from office; this includes preparing final reports for stakeholders and filing the relevant documentation with the Court/Registrar of Companies</p>		
4	<p><b>TRADING</b></p> <p><b>Work undertaken to date</b></p> <p>We have adhered to FRP's internal protocols to obtain approval to continue to trade.</p> <p>Trading has continued post insolvency to fulfil the Customer Order and protect the book debt recovery from that customer.</p> <p>We expect trading to cease in April 2017 if there is no purchaser found for the business</p>	<p><b>TRADING</b></p> <p><b>Future work to be undertaken</b></p> <p>Ongoing monitoring of trading to ensure that production processes are as efficient as possible and we are minimising purchases and waste.</p> <p>Regular review and update of the trading forecast and cash flow to ensure trading remains viable.</p> <p>Authorisation of purchase orders, including ad hoc purchasing or repairs required.</p>	Fixed Fee	£75,000 (across all areas where Fixed Fee quoted)

## Rivington Biscuits Limited (In Administration)

### Schedule of Work

<p>Trading has been monitored by FRP with the assistance of a small number of Company staff who have the experience and expertise to control day to day production activity.</p> <p>We have liaised with customers to agree payment terms and with LBCF to secure any funding which may be required</p> <p>Updating the trading forecast and cash flow for the Administration period to ensure that all commitments are met in accordance with terms agreed with suppliers</p> <p>Contacting key suppliers regarding stock held on site and gauging their appetite to supply the Administrators to enable continuation of production.</p> <p>Finalising WIP so that product would not perish.</p> <p>Dealing with retention of title claims</p> <p>Contacting hauliers and storage providers to ensure continued supply.</p> <p>Ongoing update and review of staffing requirements</p> <p>Contacting the buying teams within the customer base to notify them of the administration, what levels of stock the Company was holding and to start the process of collecting what is owed to the Company.</p> <p>Ensuring that the Company continued to follow all food hygiene / health &amp; safety regulations.</p> <p>Addressing / contacting the 125 employees as quickly as possible after appointment.</p>	<p>Ensuring customers pay within terms and suppliers are paid within terms</p> <p>Dealing with employee issues as and when they arise.</p>		
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# Rivington Biscuits Limited (In Administration)

## Schedule of Work

	Assisting the 99 employees who were made redundant on appointment with the completion of form RP1 and sending out P45s. Updating retained employees on the progress of the administration			
5	<b>INVESTIGATIONS</b> <b>Work undertaken to date</b>  We have sent questionnaires to the directors for completion to assist us in preparing the statutory return to the Department of Business Energy and Industrial Strategy ("DBEIS") in accordance with the Company Directors Disqualification Act	<b>INVESTIGATIONS</b> <b>Future work to be undertaken</b>  We will complete the report to DBEIS within 3 months of appointment and will take into account information provided by all stakeholders that might identify further assets or lines or enquiry for the office holder to explore.  We will discuss any potential actions / investigations with the committee if appointed or the creditor body as there will have to be some benefit to the creditors in incurring the costs of pursuing any action.  Currently we do not anticipate there will be any investigation required beyond the report to DBEIS.	<b>Fixed Fee</b>	£75,000 (across all areas where Fixed Fee quoted)
6	<b>CREDITORS</b> <b>Work undertaken to date</b>  Written to all known creditors about the administration appointment  Notified HMRC of our appointment	<b>CREDITORS</b> <b>Future work to be undertaken</b>  <b>Secured Creditors</b>  Ensuring that Lloyds agree to release their security when the Property is sold and accounting to them for the net sale proceeds of any sale.	<b>Fixed Fee</b>	£75,000 (across all areas where Fixed Fee quoted)  £40,000 for dealing with any subsequent liquidation of the Company:

# Rivington Biscuits Limited (In Administration)

## Schedule of Work

<p>Agreed with the parent company to keep the accounts open so that invoices could be continued to be posted so that the creditors position is as accurate as possible</p> <p>Where a supplier has collected goods under retention of title claims, ensured that a credit note has been obtained to reduce the creditor's claim.</p> <p>Reduced claims where there has been contra positions with the sales ledger.</p> <p>We are investigating the position with the utility companies who we believe may have incorrectly overcharged the Company historically.</p> <p>Assisted credit insurers in the completion of their questionnaires.</p> <p>We have established the position with regards to leased assets and have either agreed to settle ongoing rental or arranged for assets to be returned to finance company if needed.</p>	<p>We have already taken advice on Lloyds security and are satisfied it is valid and we are able to distribute funds to them.</p> <p>We will continue to report progress to LBCF and Lloyds.</p> <p><b>Preferential Creditors</b></p> <p>Once the retained staff have either transferred to any purchaser or have been made redundant, we will liaise with the RPS with a view to agreeing the preferential creditors balance. If sufficient funds are available to make a distribution to preferential creditors, we will pay a distribution after making such deductions as necessary to settle any tax liabilities on the distribution.</p> <p><b>Unsecured Creditors</b></p> <p>As we expect Lloyds and LBCF to recover their lending in full from their fixed charges, there will be no prescribed part (a ring-fenced sum of money for unsecured creditors) as after the payment of the preferential creditors, the remainder of the funds in the estate will fall for the benefit of the unsecured creditors.</p> <p>If sufficient funds are available to make a distribution to the unsecured creditors, the company will be placed into liquidation and the office holder will write to all known creditors to notify of the possibility of a distribution and requested submission of claims. To</p>	<p>(£15,000 for statutory matters and £25,000 for agreeing and paying creditors' claims)</p>
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# Rivington Biscuits Limited (In Administration)

## Schedule of Work

		<p>date we are aware of 136 potential creditors according to the information currently available.</p> <p>As required the office holder will advertise for claims and adjudicate on them if there are sufficient funds to make a distribution, either agreeing or rejecting, in full or in part. There is a statutory time limit to enable creditors whose claims have been rejected to appeal, once this time limit has passed the office holder will make a distribution to creditors.</p> <p><b>HMRC claims</b></p> <p>We will complete the pre administration VAT return and liaise with HMRC to establish their claim across various taxes (VAT, PAYE and Corporation Tax) and seeking tax advice to minimise claims and maximise returns to creditors where appropriate.</p> <p><b>Retention of title</b></p> <p>Finalising the ROT claims position and ensuring the Company's ledgers reflect the correct position</p>		
7	<b>LEGAL AND LITIGATION</b> Work undertaken to date	<b>LEGAL AND LITIGATION</b> Future work to be undertaken	<b>Fixed Fee</b>	<b>£75,000</b> (across all areas where Fixed Fee quoted)
	No work has been undertaken to date in this area.	We are not aware of any requirement in this area other than instructing our lawyers to prepare a sale contract or property sale contract (as relevant).		

## FRP ADVISORY LLP ("FRP")

### DISBURSEMENT POLICY

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

There are two types of disbursements; direct disbursements (known as Category 1) and indirect disbursements (known as Category 2).

#### Category 1 disbursements:

These are payments to independent third parties where there is specific expenditure directly referable to the appointment in question, these include but are not limited to such items as case advertising, storage, bonding, searches, insurance.

Category 1 disbursements can be drawn without prior approval

#### Category 2 disbursements

These are expenses that are directly referable to the appointment in question but not to a payment to an independent third party. With the exception of mileage FRP do not charge category 2 disbursements.

Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred, at the time of this report this is 45p per mile.

Category 2 disbursements require prior approval in the same manner as an office holder's remuneration.



## Appendix D

### Schedule of Pre-Administration Costs



	Note	Fees Charged (£)	Expenses Incurred (£)
Pre-administration costs:	182		
FRP		26,832.50	85.80
Amounts paid		( - )	( - )
Unpaid pre-administration costs for which approval is being sought	3	26,832.50	85.80

#### Notes

1. FRP Advisory LLP's fees for the pre-appointment period include but are not limited to the following:
  - i. Conference calls and meetings with the directors and their advisors to agree / discuss the administration strategy;
  - ii. Review of customer and other contracts;
  - iii. Meetings with LBCF / Lloyds to discuss the proposed strategy and potential funding requirements;
  - iv. Production of an administration trading and cash flow forecast;
  - v. Assisting the Company with employee matters, in particular the filing of form HR1;
  - vi. Liaising with Weightmans LLP in relation to appointment formalities; and
  - vii. Liaising with advisors and all stakeholders regarding a press release.
2. FRP Advisory LLP's disbursements relate to train travel of £85.80.
3. The payment of these unpaid costs as an expense of the administration is subject to approval in accordance with the Insolvency Act 1986 and is not part of the proposals subject to approval in accordance with Paragraph 53 of Schedule B1 to the Insolvency Act 1986.

## **Appendix E**

### **Details of the Financial Position of the Company**



**Rivington Biscuits Limited - In Administration**  
**Estimated Financial Position as at 13 December 2016**

£'000	Book Value	Estimated to Realise	Notes
<b>Assets specifically pledged</b>	2,447	1,800	1
Book debts			
Amount due to LBCF	(1,174)	(1,174)	
<b>Surplus / (Shortfall)</b>	<b>1,273</b>	<b>626</b>	
<b>Assets subject to fixed charge</b>			
Property	1,927	TBC	2
Intellectual property	0	TBC	
	<u>1,927</u>	<u>0</u>	
Amount available for Lloyds Bank		0	
Amount due to Lloyds Bank		(950)	
<b>Surplus / (Shortfall)</b>		<b>(950)</b>	3
<b>Assets subject to Floating Charge</b>			
Surplus from Book debts (brought down)		626	
Surplus from Fixed charge (brought down)		0	
Plant & Machinery	2,813	TBC	2
Stock	1,495	400	
<b>Amount available for Preferential Creditors</b>	<b>4,308</b>	<b>1,026</b>	
Preferential Creditors		(68)	4
<b>Available for Unsecured Creditors</b>		<b>958</b>	
Unsecured creditors		(4,945)	4
<b>Deficit to Unsecured Creditors</b>		<b>(3,987)</b>	
<b>Dividend available</b>		<b>0.194</b>	

**Note**

1. The Estimated Financial Position does not include the cost of realisations.
2. In order not to prejudice ongoing sale negotiations, we have not disclosed an estimated figure.
3. We expect there to be a surplus once the Property has been sold.
4. Preferential and unsecured creditor claims are still to be agreed.