

The Insolvency Act 1986

Administrator's progress report

Name of Company
Riva Shoes Limited

Company number
03444913

In the Norwich County
(full name of court)

Court case number
297 of 2010

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

I/We
Chris McKay
McTear Williams & Wood
90 St Faiths Lane
Norwich
NR1 1NE

Chris Williams
McTear Williams & Wood
90 St Faiths Lane
Norwich
NR1 1NE

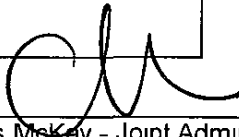
Joint Administrators of the above company attach a second progress report for the period

(b) Insert date

From
16 August 2010

To
15 February 2011

Signed


Chris McKay - Joint Administrator

Dated

4 March 2011

THURSDAY



A21

AZOLZSBK

10/03/2011

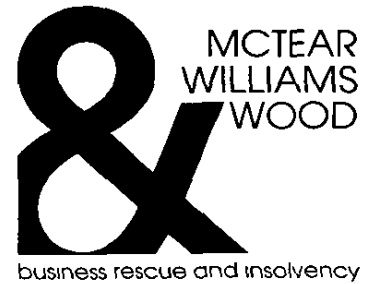
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COMPANIES HOUSE

Contact Shell Lax
Direct dial 01603 877645
Email shelllax@mw-w.com

Your ref
My ref ckw/sl/eb/pf-e/cred040311

90 St Faiths Lane
Norwich
NR1 1NE
Office 01603 877540
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To all known creditors/members

4 March 2011

Dear Sirs

Riva Shoes Limited (in administration) In the Norwich County No 297 of 2010

Following my appointment as Joint Administrator of the above company on 16 February 2010 and my report dated 10 September 2010 I enclose my second six monthly progress report

1 Receipts and payments

I enclose as Appendix 1 a copy of my receipts and payments account for the period 16 August 2010 to 15 February 2011

2 Overview

In my last report, it was estimated that preferential creditors would be paid in full, the secured creditor HSBC Bank plc would suffer a shortfall therefore there would be no funds for unsecured creditors. The estimated outcome of the administration remains in line with this

I have obtained the consent of the secured creditor to extend the administration for six months to 16 August 2011 to allow pending asset realisations to be concluded

3 Assets

3.1 Factored book debts

As previously advised HSBC Invoice Finance Limited reassigned book debts totalling £90,000. In the period covered by this report I have received £11,949 and expect to realise at least a further £5,000. Bad debts to date totalling £21,810 have been written off. I have issued County Court proceedings against seven of the remaining debtors

and have obtained judgement in respect of three which I am in the process of enforcing

3 2 *Robert Cole Shoes LLP*

As previously reported the records showed that Robert Cole Shoes LLP owed £58,000, the quantum which was disputed by Mr Cole. His evidence to support this was requested however this has not been provided. I have therefore instructed solicitors Kester Cunningham & John to pursue this debt.

3 3 *Glaxone*

As previously advised my solicitors were liaising with Glaxone Limited regarding the £17,000 debt shown in the company's records, this resulted in the return of approximately 4,000 pairs of footwear which is now with our chattel agents George Hazell & Co, Chartered Auctioneers & Valuers to sell. I estimate these may realise around £3 a pair.

3 4 *Broadland District Council*

I have realised £1,401.29 in respect of a rent refund.

4 **Creditors' claims**

4 1 *Secured creditor*

HSBC Bank plc was granted a debenture on 7 August 1998 giving it a fixed and floating charge over the assets of the company. My solicitor has confirmed its validity and a total of £50,000 has been paid to it in respect of its charge.

4 2 *Preferential creditors*

Eighteen preferential creditors totalling £11,449 were paid in full on 11 August 2010.

4 3 *Unsecured creditors*

In view of the amounts paid to preferential creditors and due to the secured creditor there will be no funds available for unsecured creditors.

5 **Closure of the administration**

The following matters are preventing closure of the administration:

- Pursue the book debts
- Pursue the claim against Robert Cole Shoes LLP
- Sale of stock received from Glaxone Limited

6 Director's conduct

As required I investigated the conduct of the directors and filed my report with the Department for Business Innovation & Skills. The content of that report is confidential.

7 Statutory matters

In accordance with rule 2 47(1)(b) and (c) of the Insolvency Rules 1986 we can confirm the following

- Company name Riva Shoes Limited
- Registered office 90 St Faiths Lane, Norwich, NR1 1NE
- Registered number 03444913
- Administrators Chris McKay & Chris Williams
- Administrators address McTear Williams & Wood, 90 St Faiths Lane, Norwich, NR1 1NE
- Date of appointment 16 February 2010
- Appointed by Robert William Cole (director), 11 Maurice Gayner Road, Attleborough, Norfolk, NR17 2QZ
- The administration has been extended to 17 August 2011
- Administrators' functions The Joint Administrators shall be entitled to carry out all of the functions of the administration jointly and/or separately and any act required or authorised to be done by them as Joint Administrators may be done by either one of them for the time being holding office

8 Remuneration disbursements and expenses

8.1 Remuneration and disbursements

HSBC Bank plc and preferential creditors approved fees up to £50,000, however HSBC Bank plc have recently approved further fees of £30,000.

In accordance with the above I have drawn the following remuneration and disbursements

Figure 1: Summary of time costs

	£	Hours	Amount drawn £
Time costs to 15 February 2011	159,193	1,216	50,000
Disbursements	1,203	nil	1,133
	<u>160,396</u>	<u>1,216</u>	<u>51,133</u>
<i>Source Joint Administrators' records</i>			

Attached at Appendix 2 is a summary of my firm's time costs for the period 16 August 2010 to 15 February 2011 the period covered by this report. In addition to this attached as Appendix 3 is a summary of my firm's total time costs to date. The more complex and time consuming areas of work carried out include

- Negotiations regarding removal of stock
- Book debt collections

A creditors' guide to administrators' fees in an administration and this firm's charging and disbursements policy can be found on our website www.mw-w.com by clicking on creditor information and then fees and costs or a copy can be requested from this office. Disbursements are recovered at cost. Our current charge out rates are Partners £255, Managers £185-£255, Assistant Managers £145, Senior Professionals £125, Assistants £90, Trainees £45. Our charge out rates are reviewed annually and since 1 January 2003 have increased by approximately 5% per annum.

8.2 Administration expenses

The major areas of expenditure and the reasons why these were incurred were

- Kester Cunningham & John assisted with my appointment and the sales of the business and assets and lately they have been assisting me in liaising with Mr Cole, their invoices in this period are £8,884 and to date total £17,825
- Birketts LLP were instructed to assist in the collection of book debts, their invoices to date total £555

Our choice of advisors was based on our perception of their experience and ability to perform the necessary work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

8.3 Further information

Within 21 days from receipt of this report creditors may request further information about the remuneration and expenses. The request must be made in writing and made either by a secured creditor or an unsecured creditor or creditors that total at least 5% in value of unsecured creditors or the permission of the Court. Other than in specific

circumstances, which if applicable we would explain, we will provide this within 14 days

Should creditors require any further information please do not hesitate to contact Shell Lax the above address

Yours faithfully



Chris McKay
Joint Administrator

The joint administrators contract without personal liability Pursuant to paragraph 45 of Schedule B1 of the Insolvency Act 1986 the Joint Administrators Chris McKay and Chris Williams are managing the affairs, business and property of the above company

Enclosures

**Riva Shoes Limited
(In Administration)**

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 16/08/2010 To 15/02/2011 £	From 16/02/2010 To 15/02/2011 £
RECEIPTS			
Sales		0 00	35,809 80
Factored Book Debts	90,000 00	11,949 87	32,397 09
Goodwill	49,800 00	0 00	49,800 00
Intercompany Accounts	NIL	0 00	0 00
Other Debtors and Prepayments	NIL	0 00	0 00
Furniture & Equipment	200 00	0 00	200 00
Stock	33,000 00	0 00	25,417 00
Glaxo	17,000 00	0 00	0 00
Non factored Book Debts	20,000 00	0 00	34,332 76
Robert Cole Shoes	58,000 00	0 00	0 00
S419 tax receivable	44,000 00	0 00	0 00
Postage Refund		0 00	673 74
Rent		1,401 29	1,401 29
Petty Cash		0 00	26 24
Pref cred - E'ees wages/hol pay	(14,604 00)	0 00	(11,449 40)
Vat Control Account		9,747 33	0 00
		<u>23,098 49</u>	<u>168,608 52</u>
PAYMENTS			
Insurance		0 00	140 90
Internet Shop Refunds		0 00	65 00
Sales Commission		0 00	8,467 90
Advertising		0 00	1,450 00
Payroll		0 00	9,596 05
Stock distribution to commission sites		0 00	250 00
Stock Collection		0 00	325 00
Pallet Storage		0 00	375 00
HSBC Bank Plc		15,000 00	50,000 00
Retention of Title Claims		0 00	1,300 13
Making of Appointment fees		0 00	3,155 00
Joint Administrators fees		0 00	50,000 00
Legal Fees		8,884 00	17,825 60
Book Debt legal Fees		555 00	555 00
Mileage/travel		0 00	314 75
Stationery & Postage		0 00	204 03
Bordereau		0 00	420 00
Storage/archiving costs		283 40	862 40
Statutory Advertising		0 00	237 50
Other Sales Expenses		0 00	184 00
Bank Charges		39 32	71 04
Pref cred - E'ees wages/hol pay		0 00	11,449 40
Vat Receivable		1,603 76	1,578 97
		<u>26,365 48</u>	<u>158,827 67</u>
BALANCE - 15 February 2011			<u><u>9,780.85</u></u>

Time Entry - SIP9 Time & Cost Summary

RIVA942 - Riva Shoes Limited
 Project Code POST
 From 16/08/2010 To 15/02/2011

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Assistant Manager	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	1.20	37.20	36.40	52.90	10.00	137.70	16,232.50	117.88
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	6.60	5.00	0.00	0.00	11.60	1,980.00	171.55
Investigations	0.00	56.70	0.40	5.40	1.50	64.00	10,971.00	171.42
Realisation of Assets	3.10	8.90	55.20	12.60	3.30	83.10	10,241.00	123.24
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	4.30	109.40	97.00	70.90	14.80	296.40	39,434.50	133.04
Total Fees Claimed							0.00	

Appendix 2

Time Entry - SIP9 Time & Cost Summary

RIVA942 - Riva Shoes Limited
 Project Code POST
 From 16/02/2010 To 15/02/2011

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Assistant Manager	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	18.60	117.00	126.40	254.60	32.70	549.30	60,940.00	110.94
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	4.20	44.50	75.10	60.30	0.50	184.60	20,813.00	112.75
Investigations	2.50	110.70	24.10	5.40	12.00	154.70	25,666.00	165.91
Realisation of Assets	12.70	112.00	90.80	21.50	12.70	249.70	38,105.50	152.61
Trading	0.80	75.40	0.00	0.00	1.70	77.90	13,668.50	175.46
Total Hours	38.80	459.60	316.40	341.80	59.60	1,216.20	158,193.00	130.89
Total Fees Claimed							50,000.00	

Appendix 3