

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company E P Packaging Ltd

Company number 00516832

In the High Court of Justice, Birmingham <small>(full name of court)</small>
--

Court case number 9255 of 2008

We
Nigel Price
Moore Stephens LLP
Beaufort House
94-96 Newhall Street
Birmingham
B3 1PB

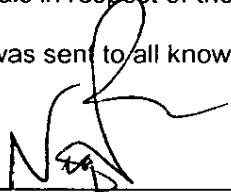
Colin Prescott
Moore Stephens LLP
Beaufort House
94-96 Newhall Street
Birmingham
B3 1PB

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

~~24~~ July 2008

Signed



Joint Administrator

Dated

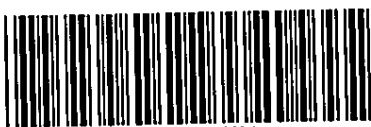
24/7/08

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

Nigel Price Moore Stephens LLP Beaufort House 94-96 Newhall Street Birmingham B3 1PB	0121 233 2557 DX Exchange
DX Number	

The contact information is



A58 01/08/2008 64
COMPANIES HOUSE

When you have completed and signed this form, please send it to the

Your Reference

Our Reference DJM/JRG/B56281

When telephoning please ask for Jim Goudie

Beaufort House
94-96 Newhall Street
Birmingham
B3 1PB

Tel +44 (0)121 233 2557
Fax +44 (0)121 200 2558
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24 July 2008

TO ALL CREDITORS/MEMBERS

Dear Sirs

**E P PACKAGING LIMITED (IN ADMINISTRATION)
HIGH COURT BIRMINGHAM DISTRICT REGISTRY 9255 OF 2008**

In accordance with paragraph 51 of Schedule B1 to the Insolvency Act 1986 ("the Act"), a Notice is enclosed convening a meeting of creditors of the above company

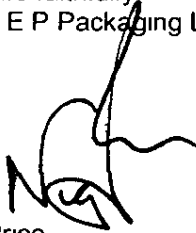
The purpose of this meeting is to consider and, if thought fit, approve the proposals of the Joint Administrators

Enclosed with this letter are -

- The Joint Administrators' Report to Creditors,
- The Joint Administrators' Statement of Proposals pursuant to paragraph 49 to Schedule B1 of the Act,
- A formal Notice convening the meeting of creditors under paragraph 51 to Schedule B1 of the Act,
- A proxy form to be used for voting purposes at the creditors' meeting,
- A Creditors' guide to Administrators' fees,
- A copy of Rule 2.38 of The Insolvency (Amendment) Rules 2003

Please contact us if you have any queries

Yours faithfully
For E P Packaging Limited



N Price
Joint Administrator

Enc

The affairs, business and property of the Company are being managed by the administrators, N Price and C A Prescott
The administrators act as agents of the Company and without personal liability
N Price and C A Prescott are authorised to act as Insolvency Practitioners by the Insolvency Practitioners Association

E P PACKAGING LIMITED
(IN ADMINISTRATION)

JOINT ADMINISTRATORS' REPORT TO CREDITORS

SCHEDULE OF CONTENTS

- 1 INTRODUCTION
- 2 STATUTORY INFORMATION
- 3 EVENTS LEADING UP TO OUR APPOINTMENT
- 4 SUBSEQUENT EVENTS
- 5 FUNCTIONS AND POWERS OF THE JOINT ADMINISTRATORS
- 6 DEBTORS
- 7 PREFERENTIAL CREDITORS
- 8 SECURED CREDITOR
- 9 VALIDITY OF CHARGES
- 10 UNSECURED CREDITORS
- 11 PRESCRIBED PART
- 12 ESTIMATED OUTCOME STATEMENT
- 13 ADMINISTRATORS' REMUNERATION
- 14 ESTIMATED OUTCOME

APPENDICES

- A SUMMARY OF FINANCIAL PERFORMANCE
- B RECEIPTS AND PAYMENTS ACCOUNT
- C ESTIMATED OUTCOME STATEMENT AND LIST OF CREDITORS
- D MOORE STEPHENS - CHARGEOUT RATE AND DISBURSEMENT RATE SCHEDULE

E P PACKAGING LIMITED

The Joint Administrators Report To Creditors

1 INTRODUCTION

- 1.1 This statement is addressed to the creditors of E P Packaging Limited ("the company") and should be read in conjunction with the Joint Administrator's Statement of Proposals which is attached and which will be considered at the creditors' meeting to be held on 26 August 2008
- 1.2 The creditors may approve the proposals, either with or without modification, but any modifications are subject to the consent of the Joint Administrators. If the creditors choose to reject the proposals, a report will then be sent to the Court advising that creditors have resolved to reject them, the Court may provide that the appointment of Administrators shall cease, and make such other orders as it thinks appropriate
- 1.3 If the creditors' meeting approves the Joint Administrators' Proposals, either with or without modifications, the meeting may also establish a Creditors' Committee, pursuant to paragraph 57 of Schedule B1 to the Insolvency Act 1986. The purpose of such a committee would be to assist the Joint Administrators in the discharge of their duties and responsibilities

2 STATUTORY INFORMATION

- 2.1 The company was incorporated on 7 March 1953 under number 00516832
- 2.2 Its directors were as follows -

<u>Director</u>	<u>Appointed</u>	<u>Resigned</u>
John Roden	21 December 2007	until present
Neil Mitchell	01 March 2006	31 December 2006
Timothy Simmons	01 March 2006	until present
Peter Underhill	01 July 2003	24 January 2007 (deceased)
Peter Mondon	01 May 2003	until present
Stuart Mullaney	01 January 2002	18 November 2003
Grant Franklin	01 November 2000	30 June 2003
Robert Steel	01 October 1997	31 December 2000
Christopher Gawne	01 November 1994	18 November 2003
Keith Baldwin	01 November 1994	31 March 2003

Its company secretary was Emma Thomas

- 2.3 The company's entire share capital is owned by Redbrick Estates Limited. A total of 2,000,000 shares of £0.25 have been issued
- 2.4 The registered office of the company was Queensway Industrial Estate, Wrexham, Clwyd, LL13 8YR, although it has been changed to the offices of Moore Stephens LLP, Beaufort House, 94-96 Newhall Street, Birmingham, B3 1PB for the purposes of these proceedings
- 2.5 Nigel Price and Colin Andrew Prescott were appointed Joint Administrators to the company on 20 June 2008 by the directors of the company. The appointment documentation was lodged in the High Court of Justice, Birmingham District Registry case number 9255 of 2008
- 2.6 It is considered that the EC Regulations do apply to these proceedings and that these proceedings will be main proceedings as defined in Article 3 of the EC Regulations, since the main interest of the company is in England and Wales

3 EVENTS LEADING UP TO OUR APPOINTMENT

- 3 1 The principal activity of the company was that of manufacturing plastic packaging for the food industry. The business traded from leasehold premises at Queensway Industrial Estate, Wrexham, Clwyd, LL13 8YR. An annual rental was payable of £110,000. The landlord to the premises is ICC (ONE) Limited which is a connected party. Rent has been charged although it has not been drawn in the last eighteen month period.
- 3 2 The business was in the main, financed by Peter Underhill who was tragically killed in a skiing accident in 2007. Following this incident, Peter Underhill's trustees were keen to look at ways of disposing of his interest in the company and in mid 2007, the company employed the services of the corporate finance arm of Horwath Clark Whitehill ("HCW") to market the business with a view to a sale.
- 3 3 As such, a restricted information memorandum was prepared and discussions were had with a number of the company's competitors. There was some interest expressed although due to the fact that many of the competitors were themselves experiencing difficult trading conditions, only one firm offer was received for the company.
- 3 4 This offer was initially on the basis of a share purchase, although following receipt of a formal asset valuation, which valued the physical assets at some way short of their book value, it became clear that the interested party would only consider an asset purchase.
- 3 5 During 2008, the company's trading position deteriorated. This was largely as a result of suppliers becoming aware of the company's predicament, and credit terms were reduced accordingly. In a number of cases suppliers would only supply on a proforma basis. Cashflow was squeezed and this together with the realisation that the company was insolvent on a balance sheet basis caused the directors to make the decision to place the company into Administration.

4 SUBSEQUENT EVENTS

- 4 1 Colin Prescott and I were appointed as Joint Administrators to the company on 20 June 2008.
- 4 2 Initially upon my firm's involvement and based upon the offer that had already been received, it appeared likely that the business/trade would be transferred/integrated into the purchaser's own company. This company operated in a different part of the country and it was therefore likely that all employees would need to be made redundant.
- 4 3 Heads of terms were entered into on that basis. Shortly thereafter, and prior to this deal being concluded, contact was made with my office by one of the parties that had previously been canvassed by HCW. This new party expressed an interest in acquiring the business and business assets with a view to operating it from the existing premises.
- 4 4 The offer was both higher in monetary terms and would result in all employees' jobs being preserved. It was also felt that concluding the later offer would provide continuity to customers, which would in turn protect realisations in respect of the company's debtor book.

- 4 5 Accordingly, immediately following our appointment, a sale of the business and business assets was concluded to Anson Packaging Limited ("Anson"), the later bidder. For the avoidance of doubt, Anson are an unconnected party. The offer was discussed and agreed with Messrs King Sturge, professional agents and valuers, who recommended its acceptance. A sale was subsequently completed on 20 June 2008 for £613,890 which is made up as follows -

	£
Plant and Machinery	286,890
Stock	326,996
Business and Goodwill	1
Customer Contracts	1
Intellectual Property	1
Sales Information	1
	<u>613,890</u>

5 FUNCTIONS AND POWERS OF THE JOINT ADMINISTRATORS

- 5 1 The functions and powers of the Joint Administrators may be exercised by both or one of them, either jointly or severally.

The Joint Administrators' of the company must perform their functions with the objective of -

- (a) rescuing the company as a going concern, or
- (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

It was not possible to achieve purpose (a). It is believed that the Administrators' will achieve either (b) "a better result for creditors than would be achieved if the company were wound up (without first being in Administration)" or (c) "realising property in order to make a distribution to one or more secured or preferential creditors".

6 DEBTORS

- 6 1 At the date of our appointment, the book value of amounts due from debtors totalled £1,157,000. I am advised by the directors that there are no known problem accounts or doubtful debtors within the ledger.
- 6 2 Royal Bank of Scotland Invoice Finance ("RBSIF") operated a confidential invoice discounting agreement in relation to the company's debtors. A fixed and floating charge, in favour of RBSIF, dated 15 December 2002 was registered at Companies House on 3 January 2003.
- 6 3 As a result of a letter of waiver, RBSIF effectively have a first charge over debtors and a second floating charge over the company's assets and undertakings.
- 6 4 At the date of our appointment an amount of £806,249 was due to RBSIF. It is anticipated that they will be repaid in full from debtors realisations.

7 PREFERENTIAL CREDITORS

- 7 1 As a result of the sale, all employees were transferred to Anson under the TUPE regulations. As such, it is not anticipated that there will be any preferential claims received in the proceedings. Should the sale not have been concluded, it is anticipated that preferential claims would have totalled £36,000.

8 SECURED CREDITOR

- 8.1 National Westminster Bank plc was due £78,015 as at the date of our appointment. This is secured by a fixed and floating charge dated 2 November 1990 and registered at Companies House on 7 November 1990. This debenture created a first fixed and floating charge over the assets and undertakings of the company but, as noted in 6.3 above, RBSIF were given priority over book debts.
- 8.2 The bank has been repaid in full from the sale proceeds.
- 8.3 The second chargeholder, RBSIF, is discussed earlier in this report.
- 8.4 There is a third fixed and floating charge dated 16 November 2006 and registered at Companies House on 18 November 2006, in favour of Redbrick Estates Limited ("Redbrick") who are owed approximately £1,065,000. This largely relates to monies advanced to the company in 2006. Based upon present information, it is anticipated that there will be a shortfall to Redbrick of approximately £451,000.

9 VALIDITY OF CHARGES

- 9.1 On our appointment, George Green Solicitors were instructed to advise as to the validity of the three outstanding charges. They have subsequently confirmed that all of the charges are valid.

10 UNSECURED CREDITORS

- 10.1 The amounts due to unsecured creditors are believed to be as follows:

	£
Trade and Expense Creditors	1,330,505
ICC (One) Limited	114,371
H M Revenue & Customs - PAYE/NIC/VAT	<u>175,000</u>
	<u>1,619,876</u>

- 10.2 As already stated, as a result of the sale, all employees were transferred to the purchaser under the TUPE regulations. As such, it is not anticipated that there will be any unsecured employee claims for either redundancy or pay in lieu of notice claims. Should the sale not have been concluded, it is anticipated that unsecured employee claims would have totalled £184,938 in the proceedings.

11 PRESCRIBED PART

- 11.1 The Enterprise Act 2002 amended the Insolvency Act 1986 ("the Act") by inserting inter alia section 176A into the Act. The effect of inserting section 176A is to provide, in certain circumstances, a fund for unsecured creditors from the assets of the company, which would otherwise be available to a floating chargeholder. This fund is known as the "prescribed part" and is only relevant where the floating chargeholder obtained the benefit of its security on or after the implementation of the relevant provisions of the Enterprise Act 2002 which came into force on 15 September 2003.
- 11.2 As Redbrick's charge was created after that date an amount will be made available to unsecured creditors which roughly equates to 20% of the funds that would in the normal course be available to Redbrick.
- 11.3 Based upon present information, it is anticipated that there will be a small payment to the unsecured creditors in respect of the "prescribed part".

12 ESTIMATED OUTCOME STATEMENT

- 12.1 The directors have instructed Messrs CK Chartered Accountants to prepare an estimated Statement of Affairs, although to date it has not been received. In the meantime we enclose an estimated outcome statement which has been prepared by Moore Stephens LLP and is attached as Appendix C.
- 12.2 This document does not take into account the costs of the Administration. The costs of the Administration will comprise those of our solicitors, valuers and insurers, together with our own costs. It is proposed that the latter is based upon time costs properly incurred by my firm.

13 ADMINISTRATORS' REMUNERATION

- 13.1 The Joint Administrators propose to be remunerated by reference to the time properly given by the Insolvency Practitioners (as Administrators) and their staff in attending to matters arising in the Administration.
- 13.2 Moore Stephens's costs to date total £23,421.05. This represents 160.25 hours at an average hourly rate of £146.15. A detailed breakdown of the time costs are set out in the attached appendices.

14 ESTIMATED OUTCOME

- 14.1 As a result of our strategy, we believe that the Administration has been successful in that purpose 3(1)(b) or 3(1)(c) of the Insolvency Act 1986 has been achieved, ie that either we have "achieved a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration)", or we have "realised property in order to make a distribution to one or more secured or preferential creditors".
- 14.2 Based upon current information we anticipate that sufficient funds will be available to enable a distribution to be made to the unsecured creditors by way of a prescribed part payment and as such once the Administration has been finalised, we propose to seek to move to a Creditors' Voluntary Liquidation under Paragraph 83 of the Insolvency Act 1986. However, if debtor realisations prove to be insufficient to enable the aforementioned distribution to be made to unsecured creditors it is likely that the chosen exit route from Administration will be Dissolution of the company under Paragraph 84 of the Insolvency Act 1986.

Yours faithfully
For E P Packaging Limited


N Price
Joint Administrator

The affairs, business and property of the Company are being managed by the administrators, N Price and C A Prescott. The administrators act as agents of the Company and without personal liability. N Price and C A Prescott are authorised to act as Insolvency Practitioners by the Insolvency Practitioners Association.

E P PACKAGING LIMITED
SUMMARY OF FINANCIAL PERFORMANCE

	Unaudited Draft Financial Statements for 15 month period Ending 31-March-08 £	Audited Financial Statements for the Year Ended 31-March-06 £	Audited Financial Statements for the Year Ended 31-March-05 £
Turnover	9,681,349	8,958,972	7,697,468
Gross Profit	1,324,987	1,197,202	1,299,131
Profit/(Loss) After Tax	(400,713)	(257,507)	(52,898)
Fixed Assets	714,526	1,017,044	1,515,918
Current Assets	2,158,603	2,771,023	3,396,594
Current Liabilities	(3,155,710)	(3,639,281)	(3,896,113)
Net Current Liabilities	(997,107)	(868,258)	(499,519)
Long term Liabilities	NIL	(30,654)	(206,164)
Net Assets/(Liabilities)	(282,581)	148,786	652,399
Revenue Reserves	(782,581)	(381,868)	(124,361)
Share Capital	500,000	500,000	500,000

**E P Packaging Ltd
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments
To 24 July 2008**

RECEIPTS	Fixed Charge £	Floating Charge £	Total £
Plant & Machinery	11,000 00		11,000 00
Plant & Machinery		275,890 00	275,890 00
Business and Goodwill	1 00		1 00
Customer Contracts	1 00		1 00
Stock		326,996 00	326,996 00
Intellectual Property	1 00		1 00
Sales Information	1 00		1 00
Sundry Receipts		3,775 04	3,775 04
	11,004.00	606,661 04	617,665 04
PAYMENTS			
Agents Fees & Expenses		1,000 00	1,000 00
Legal Fees & Expenses		15,550 20	15,550 20
Bank Charges		20 00	20 00
Keith Stokes Transport		47,000 00	47,000 00
Post appointment transport costs		711 90	711 90
Chargeholder (National Westminster Bank)		78,015 65	78,015 65
VAT Receivable		3,010 20	3,010 20
	0 00	145,307 95	145,307 95
Balances in Hand	11,004.00	461,353.09	472,357 09
	11,004 00	606,661.04	617,665 04

APPENDIX C

ESTIMATED OUTCOME STATEMENT AND LIST OF CREDITORS

E P PACKAGING LIMITED**ESTIMATED OUTCOME STATEMENT**

	Book Vales £ (000's)	Estimated to Realise £ (000's)
FIXED CHARGE ASSETS		
Machine Subject to Finance	40	20
Less Amount due to Finance Co	(9)	(9)
	<u>31</u>	<u>11</u>
Debtors	1,157	1,041
Less Amount due to RBSIF	(806)	(806)
Estimated Surplus / (Shortfall) c/d	<u>351</u>	<u>235</u>
FLOATING CHARGE ASSETS		
Fixed Charge Surplus b/f	382	246
Plant & Machinery / Equipment	910	276
Stock	436	327
Less Estimated Amount due to Preferential Creditors		0
Surplus as regards Preferential Creditors		<u>849</u>
Less Amount due to NatWest - Under 1st Floating Charge		(78)
Estimated Surplus / Deficiency as regards NatWest		<u>771</u>
Deduct Amount due Under Prescribed Part		<u>(157)</u>
Amount Available to Redbrick Estates		614
Less Amount due to Redbrick Estates		(1,065)
Estimated Shortfall as regard Redbrick Estates		<u>(451)</u>
Estimated Prescribed Part b/f		157
Trade Creditors		(1,330)
ICC (One) Limited		(114)
PAYE/VAT		(175)
Redundancy / PILN / Non Preferential Wages		0
Estimated Distribution to Unsecured Creditors		<u>9 69p</u>

**Moore Stephens LLP
E P Packaging Ltd
B - Company Creditors**

Key	Name	Address	£
CB06	A J Brown Lighthaulage Services	35 Pentre Street, Llay, Near Wrexham, LL12 0NB	0 00
CA00	A&B Air Systems Hire	Unit 21, Abenbury Way, Wrexham Industrial Estate, Wrexham, LL13 9UZ	804 88
CA01	Acorn Recruitment	Somerton House, Hazell Drive, Newport, South Wales, NP10 8FY	2,288 43
CA02	Agritel Ltd	Bryn-Y-Plentyn, Middleton, Oswestry, SY11 4LP	998 16
CA03	Air Products	Hersham Place, Molesey Road, Walton On Thames, Surrey, KT12 4RZ	85 6C
CA04	Aluisse Thermoplastics	Westway, Chelmsford, Essex, CM1 3TQ	10,774 50
CA05	Anchor Plastics Machinery Ltd	The Watermill, Royal Quay, Harefield, Middlesex, UB9 6SA	153 93
CA06	Arvensis Packaging Films Ltd	Unit 3 Airedale Park, Royd Ings Avenue, Keighley, West Yorkshire, BD21 4BY	41,491 69
CB00	B & M Associates	Unit 2B, Yeo Mill Bus Park, Yeo Road, Colley Lane Ind Est, Bridgwater, TA6 5NA	736 42
CB01	Bateman Thermotooling Ltd	Hart Street, Blackburn, Lancs, BB1 1HW	21,731 63
CB02	Bearing Traders Ltd	Unit 101, Coed Aben Road, Wrexham Ind Estate, Wrexham, LL13 9UH	281 44
CB03	Beeches Three Ltd	5-6 Broad Street, Ludlow, Shropshire, SY8 1NG	921 44
CB04	Blackwell Hydraulics Ltd	Unit 62, Clywedog Road, Wrexham Industrial Estate, Wrexham, LL13 9XN	54 63
CB05	British Telecommunications Plc	UK Business Accounts, Providence Row, Durham, DH98 1BT	1,463 83
CC00	C & E Engineering	Unit 4F, Wenning Street, Valley Muls, Nelson, BB9 0LE	1,590 95
CC04	Cameron Coatings	18-20 Forest Vale Road, Cinderford, Gloucestershire, GL14 2PH	188 18
CC01	Capital Asset Finance	PO Box 430, Rushmoor Court, Croxley Bus Park, Hatters Lane, Watford, WD18 8EZ	1,567 46
CC02	Clarke Cutters	Unit 1, Offerton Ind Estate, Hempshaw Lane, Offerton, Stockport, SK2 5TJ	1,948 74
CC03	Comcen Computer Supplies	Bruce Road, Swansea West Industrial Park, Swansea, SA5 4HS	418 38
CD02	Dataserve UK	19 Hadwick street, Glasgow, Lanarkshire, G13 4EN	610 59
CD00	Diaryborn Foods Ltd	The Cheese Factory, Dairyborn Way, Eaton Green Road, Luton, LU2 9XF	10,000 00
CD01	Drive Products	Unit 9, Miners Park, Llay Industrial Estate, Llay, LL12 0PQ	1,753 79
CE00	Echomotion Ltd - dissolved 10/08/06	10 Riverside Estate, Colley Lane Ind Est, Bridgewater, TA6 5LB	99 86
CE01	Edmundson Electrical Ltd	Benjamin Road, Wrexham, LL13 8EE	114 23
CE02	Euro Sheet Ltd	Mill Street, Great Harwood, Blackburn, BB6 7NN	3,138 82
CE03	Europlastics S R L	Via Di Vittorio, 2/4 20068 Preschiera, Borromeo, ITALY	1,503 65
CG00	G-Plas	33 Fern Close, Pen-y-Fan Ind Estate, Crumlin, Gwent, NP11 3EH	97,345 00
CG01	Grand Prix Express Ltd	Mochdre Business Park, Colwyn Bay, North Wales, LL28 5HB	255 16
CH02	H M Revenue & Customs	Insolvency Department, Queens Dock, Liverpool, L74 4AF	0 00
CH03	H M Revenue & Customs	North Wales Area, Plas Gororau, Elice Way, Wrexham Technology Park, Wrexham, LL13 7YY	0 00
CH00	Harper Group Construction Ltd	Beeches Road, Rowley Regis, West Midlands, B65 0BB	407 89

Moore Stephens LLP
E P Packaging Ltd
B - Company Creditors

Key	Name	Address	£
CH01	Heaton Stationery Ltd	Campbelltown Road, Lairdside Technology Park, Birkenhead, Merseyside, CH31 9HP	152 49
CI00	I L P A srl Division MP3	C/O Ramsay Plastics, Bourne House, Main Road, Nutbourne, Chichester, West Sussex, PO18 8RN	26,179 20
CI03	ICC One Limited	5-6 Broad Street, Ludlow, Shropshire, SY8 4NG	114,377 41
CI01	IMA	Midrange House, Charleswood Road, East Grinstead, West Sussex, RH19 2HG	403 57
CI02	Industrial Engineering	Salisbury Road, Wrexham, LL13 7AS	41 12
CJ00	J Burn & Co (Birmingham) Ltd	74 Albert F Road, Stetchford, Birmingham, B33 9AJ	121 77
CK00	Kama Europe Ltd	Salters Lane, Sedgfield, County Durham, TS21 3EE	13,988 63
CK01	Kays Medical	3/5 Shaw Street, Liverpool, L6 1HH	103 67
CL00	Lloyd & Jones Engineers Ltd	220 New Chester Road, Birkenhead, Merseyside, L41 9BQ	659 47
CL01	Lloyds TSB Auto Lease Limited	25 Grosham Street, London, EC2V 7HW	551 78
CM00	Macfarlane Group UK Ltd	PO Box 2389, Coventry, CV3 4ZZ	14,973 06
CM01	Main Man Supplies Ltd	Unit 1 Ridleywood Ind Complex, Bryn Lane, Wrexham Industrial Estate, LL13 9UW	661 94
CM02	Max Edwards Courier Service	19 Ffordd Edgeworth, Maes-y-Dre, Wrexham, LL12 7DH	1,154 00
CM03	Mersey Weigh Ltd	48 Canal Bridge Enterprise Cntr, Meadow Lane, Ellesmere Port, CH65 4EH	378 35
CM04	MKF Folien GMBH	Mirastr 42, 13509 Berlin, GERMANY	157,852 71
CH04	Mr P Harwood	C/O Anson Wrexham, Queensway Industrial Estate, Queensway, Wrexham, LL13 8YR	2,227 71
CS04	Mr T Simmons	C/O Anson Wrexham, Queens way Industrial Estate, Queensway, Wrexham, LL13 8YR	760 65
CN00	Newart Ltd	22 Mandervell Road, Oadby, Leicester, LE2 5LQ	2,186 92
CO00	OB10 Ltd	Melbourne House, 46 Aldwych, London, WC2B 4LL	92 35
CO01	Onwatch Plc	Hole Farm, Lye Green, East Sussex, TN6 1JU	2,350 00
CP00	Pattern Forme Ltd	Livingstone Way, Bindon Road, Taunton, T2 6BD	3,516 49
CP01	Pestokill Pest Control	Graveoak, East Lancashire Road, Leigh, Lancs, WN7 3SE	532 86
CP02	Powell Insurance Brokers Ltd	Spinnaker House, 141 Sefton Street, Liverpool, L85 SN	14,576 12
CR00	Recoverypak Ltd	Unit 5 Warren Park Way, Enderby, Leicestershire, LE19 4SA	7,385 34
CS00	S I T A	Miners Road, Llay Industrial Estate, Wrexham, Clwyd, LL12 0PJ	451 09
CS01	Scottish Power	Cathcart house, Spean Street, Glasgow, G44 4BE	105 28
CS02	Stokes Transport Services	The Warehouse, Queen Street, Cefn Mawr, Wrexham, LL14 3SL	82,549 26
CS03	Swalec	Customer Service, P O Box 94, Portsmouth, PO6 2UT	20,682 71
CT00	Technology Services Group	1 Commerce Way, Trafford Park, Manchester, M17 1HW	1,214 15
CS05	The Sunlight Services Group Limited	4 Grosvenor Place, London, SW1X 7DL	415 29
CT01	Thermodynamix Ltd	9 Princess Park, Team Valley Ind Est, Gateshead, Tyne & Wear, NE11 8YR	20,913 00

Moore Stephens LLP
 E P Packaging Ltd
 B - Company Creditors

Key	Name	Address	£
CH05	Thomas Higgins & Co Solicitors	Capital Buildings, 10 Seaview Road, Wallasey, Merseyside, CH45 4TH	2 35
CT02	TNT UK Ltd	PO Box 4, Ramsbottom, Bury, Lancs, BL8 9AR	58 36
CT03	Total Fleet Services Ltd	Stafford Road, Cannock, Staffordshire, WS11 4AL	714,003 84
CT05	TWP Ltd	Shelby House, Westgate Hill, Tong, Bradford, BD4 0SJ	621 3G
CV00	Vacserv Ltd	6 Knowlsey Road, Hazel Grove, Stockport, SK7 6BW	.68 15
CV01	Valpack Ltd	Savannah House, 11-12 Charles II Street, London, SW1Y 4QU	1,865 17
CV02	Volkswagen Group Leasing	Yeomans Drive, Milton Keynes, Buckinghamshire, MK14 5LR	387 44
CW00	Wrexham County Borough Council	The Guildhall, Wrexham, LL11 1AY	27,237 00
CW01	Wrexham Pallet Services	The Old Power House, Rhosddu Industrial Est, Wrexham, LL11 4YL	6,345 00
71 Entries Totalling			1,444,876 42

APPENDIX D

**MOORE STEPHENS LLP - CHARGE OUT RATE AND
DISBURSEMENT RATE SCHEDULE**

NAME OF CASE

E P PACKAGING LIMITED

Summary of time spent for period 20/06/2008 to 21/07/2008

Classification of work	Partner	Manager	Administrator	Support	Total Hours	Time Cost £	Average Rate £/h
Statutory compliance, administration and planning	1 15	13 65	18 65	9 10	42 55	6,382 25	149 99
Investigations	-	-	-	-	-	-	-
Realisation of assets	-	27 30	-	0 25	27 55	6,978 00	253 28
Trading	-	-	-	-	-	-	-
Creditors	-	3 90	85 75	0 50	90 15	10,060 80	111 60
Case specific matters	-	-	-	-	-	-	-
Total hours	1 15	44 85	104 40	9 85	160 25		
Total fees claimed	379 50	11,339 00	9,654 62	895 21	-	23,421 05	146 15

Chargeout rates:-

Partner	£330-£460
Manager	£170-£255
Administrator	£67-£135
Support	£65-£103

Standard activity

Statutory compliance, administration and planning

Investigations

Realisation of assets

Trading

Creditors

Examples of work

Statutory reporting and compliance
 Compliance with other regulatory requirements
 Case planning
 Administrative set up
 Appointment notification
 Maintenance of records

SIP 2 review
 CDDA reports
 Investigating antecedent transactions

Identifying, securing, insuring assets
 Retention of title
 Debt collection
 Property, business and asset sales

Management of operations
 Accounting for trading
 On-going employee issues

Communication with creditors
 Creditors' claims (including employees and other preferential creditors)

NAME OF CASE

E P PACKAGING LIMITED

Summary of category 1 disbursements for the period 20/06/2008 to 21/07/2008

	£
Bond	0 00
Advertising	0 00
Postage	25 37
Telephone	0 00
Car mileage	170 02
Travel	0 00
Subsistence	0 00
External room hire	0 00
External photocopying	0 00
External Storage	0 00
Money Laundering	0 00
Swear Fee	0 00
Company Search Fee	0 00
Professional Fees	0 00
Other	3 83
Total	<u>199 22</u>

Summary of category 2 disbursements for the period 20/06/2008 to 21/07/2008

	£
Photocopying/Printing	71 70
Fax	0 00
Colour photocopying	0 00
Registered office fee	0 00
Storage	0 00
IPS charge	0 00
Room hire	0 00
Total	<u>71 70</u>

Disbursements drawn on account

Category 2 disbursement rates -

Type	Rate
Photocopying/printing	£0 15 per sheet
Fax	£0 40 per sheet
IPS charge	£25 per quarter, max £200
Room hire	£30-£50 per hour

**MOORE STEPHENS LLP
CORPORATE APPOINTMENTS**

Charge out rates

Grade	Hourly rate
Partner	£330 - £460
Manager	£175 - £255
Administrator	£67 - £135
Support staff	£65 - £103

Disbursement rates

Type	Rate
Printing / photocopying	£0 15 per sheet
Fax	£0 40 per sheet
Colour photocopying	£2 50 per sheet
Storage	£3 90 per box per quarter (min £30 per quarter)
Room hire	£30-50 per hour
Registered office fee	£120 per annum
IPS charge	£25 per quarter (max £200)

With effect from 5 November 2007

MSGEN3001

E P PACKAGING LIMITED

IN ADMINISTRATION

JOINT ADMINISTRATORS STATEMENT OF PROPOSALS UNDER PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("The Act") Nigel Price and Colin Prescott, the Joint Administrators of E P Packaging Limited make the following proposals to creditors for achieving the purposes of the Administration Order dated 20 June 2008. Approval of these proposals will be considered as a single resolution at a meeting of creditors to be held on 26 August 2008.

PROPOSALS

The Joint Administrators propose

- 1 to continue with ongoing debt collection and asset realisation and to continue to do all such things as are reasonably expedient and to generally exercise all of their powers as Joint Administrators, as they consider desirable, in their discretion, in order to maximise realisations from the assets of the company,
- 2 to seek an extension to the Administration period if deemed necessary by the Joint Administrators,
- 3 when it is anticipated that no better realisations will be made in the Administration than would be available in a winding-up, to take the necessary steps to put the Company into Creditors' Voluntary Liquidation, Compulsory Liquidation or Dissolution as deemed appropriate by the Joint Administrators,
- 4 if Creditors' Voluntary Liquidation is deemed appropriate, to seek the appointment of the Joint Administrators as the Joint Liquidators of the Company without further recourse to creditors. In accordance with paragraph 83(7) and Rule 2.117(3), creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved,
- 5 that, in the event that no creditors' committee is formed, the Joint Administrators be authorised to draw fees on account from the assets of the Company, from time to time during the Administration, based on time properly spent at Moore Stephens' time cost rates. Also that the Joint Administrators be authorised to draw disbursements from time to time including internal costs defined by SIP 9 as category 2 disbursements. A schedule of my firm's chargeout rates and disbursement rates is attached as appendix D.
- 6 that the costs of Moore Stephens in respect of tax, VAT, pension and other relevant advice provided to the Joint Administrators be based upon time costs and shall be paid out of the assets of the Company.
- 7 that the Joint Administrators be given their release 21 days after filing their final receipts and payments account.



Nigel Price
Joint Administrator

Rule 2.35

Notice of a meeting of Creditors

Name of Company
E P Packaging Ltd

Company number
00516832

In the High Court of Justice, Birmingham (full name of court)

Court case number
9255 of 2008

Notice is hereby given by
 Nigel Price
 Moore Stephens LLP
 Beaufort House
 94-96 Newhall Street
 Birmingham
 B3 1PB

Colin Prescott
 Moore Stephens LLP
 Beaufort House
 94-96 Newhall Street
 Birmingham
 B3 1PB

that a meeting of creditors of

E P Packaging Ltd
 Beaufort House, 94-96 Newhall Street
 Birmingham
 B3 1PB

is to be held at ,

Holiday Inn Telford, St Quentin Gate, Telford, TF3 4EH

on 26 August 2008

At 11 00am

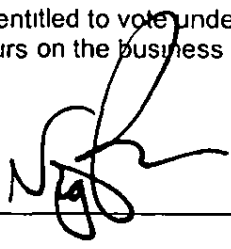
The meeting is an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ('the schedule')

I invite you to attend the above meeting

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented

In order to be entitled to vote under Rule 2 38 at the meeting you must give to me, not later than 12 00 hours on the business day before the day fixed for the meeting, details in writing of your claim

Signed



 Administrator

Dated

24/7/08

A copy of the proposals is attached

Proxy (Administration)

E P PACKAGING LIMITED ("THE COMPANY")

Name of Creditor

Address

Name of Proxy Holder

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well.

1 _____

2 _____

3 _____

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion.

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 26 August 2008 or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Voting Instructions for resolutions

- That the joint administrators' proposals be approved as circulated

FOR / AGAINST

- For the appointment of

of

representing

as a member of the creditors' committee

This form must be signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature

Remember there may be resolutions on the other side of this form

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES ENGLAND AND WALES

1 Introduction

- 1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

2 The nature of administration

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors

3 The creditors' committee

- 3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's fees

- 4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either
- as a percentage of the value of the property which the administrator has to deal with, or
 - by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed and, if it is fixed as a percentage fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters

- the complexity (or otherwise) of the case,
- any responsibility of an exceptional kind or degree which falls on the administrator,
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the property which the administrator has to deal with

- 4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

- 4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of –

- each secured creditor of the company, or
- if the administrator has made or intends to make a distribution to preferential creditors –

-each secured creditor of the company, and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company

4 4 A resolution of creditors may be obtained by correspondence

5 What information should be provided by the administrator?

5 1 When seeking fee approval

5 1 1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on

- the nature of the approval being sought,
- the stage during the administration of the case at which it is being sought, and
- the size and complexity of the case

5 1 2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case

5 1 3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4 1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain

- Any significant aspects of the case, particularly those that affect the amount of time spent

- The reasons for subsequent changes in strategy
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement
- Any existing agreement about fees
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

- 5 1 4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff

5 2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5 1 3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5 1 4 above regarding work which has been sub-contracted out.

5 3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

6 What if a creditor is dissatisfied?

- 6 1 If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

7 What if the administrator is dissatisfied?

- 7 1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

8 Other matters relating to fees

- 8 1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 8 2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

9 Provision of information - additional requirements

In any case where the administrator is appointed on or after 1 April 2005 he must provide certain information about time spent on a case, free of charge, upon request by any creditors, director or shareholder of the company

The information which must be provided is-

- The total number of hours spent on the case by the administrator or staff assigned to the case,
- For each grade of staff, the average hourly rate at which they are charged out,
- The number of hours spent by each grade of staff in the relevant period

The period for which the information must be provided is the period from the appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date on which he vacated office

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within - two years from vacation of office

Entitlement to vote

2 38 -(1) Subject as follows, at a meeting of creditors in administration proceedings a person is entitled to vote only if—

(a) he has given to the administrator, not later than 12 00 hours on the business day before the day fixed for the meeting, details in writing of the debt which—

- (i) he claims to be due to him from the company, or
- (ii) in relation to a member State liquidator, is claimed to be due to creditors in proceedings in relation to which he holds office,

(b) the claim has been duly admitted under the following provisions of this Rule, and

(c) there has been lodged with the administrator any proxy which he intends to be used on his behalf, and details of the debt must include any calculation for the purposes of Rules 2 40 to 2 42

(2) The chairman of the meeting may allow a creditor to vote, notwithstanding that he has failed to comply with paragraph (1)(a), if satisfied that the failure was due to circumstances beyond the creditor's control

(3) The chairman of the meeting may call for any document or other evidence to be produced to him, where he thinks it necessary for the purpose of substantiating the whole or any part of the claim

(4) Votes are calculated according to the amount of a creditor's claim as at the date on which the company entered administration, less any payments that have been made to him after that date in respect of his claim and any adjustment by way of set-off in accordance with Rule 2 85 as if that Rule were applied on the date that the votes are counted

(5) A creditor shall not vote in respect of a debt for an unliquidated amount, or any debt whose value is not ascertained, except where the chairman agrees to put upon the debt an estimated minimum value for the purpose of entitlement to vote and admits the claim for that purpose

(6) No vote shall be cast by virtue of a claim more than once on any resolution put to the meeting

(7) Where—

(a) a creditor is entitled to vote under this Rule,

(b) has lodged his claim in one or more sets of other proceedings, and

(c) votes (either in person or by proxy) on a resolution put to the meeting, and

(d) the member State liquidator casts a vote in respect of the same claim,

only the creditor's vote shall be counted

(8) Where—

(a) a creditor has lodged his claim in more than one set of other proceedings, and

(b) more than one member State liquidator seeks to vote by virtue of that claim,

the entitlement to vote by virtue of that claim is exercisable by the member State liquidator in main proceedings, whether or not the creditor has lodged his claim in the main proceedings

(9) For the purposes of paragraph (6), the claim of a creditor and of any member State liquidator in relation to the same debt are a single claim

(10) For the purposes of paragraphs (7) and (8), "other proceedings" means main proceedings, secondary proceedings or territorial proceedings in another member State