

The Insolvency Act 1986

**Statement of administrator's proposals****2.17B**

Name of Company <b>Sunscoop Products Limited</b>	Company number <b>02393027</b>
In the <b>Bristol District Registry</b> [full name of court]	Court case number <b>222AA of 2008</b>

(a) Insert name(s) and address(es) of administrator(s) 1. I (a) Simon Edward Jex Girling and Graham David Randall of BDO Stoy Hayward LLP  
One Victoria Street, Bristol, BS1 6AA

\*Delete as applicable attach a copy of ~~\*my~~ / our proposals in respect of the administration of the above company.

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

(b) Insert date (b) 09 January 2009

Signed

Dated

*[Signature]*  
9 January 2009

**Contact details:**

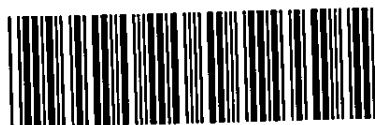
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

BDO Stoy Hayward LLP, Fourth Floor, 1 Victoria Street,	
Bristol, BS1 6AA, .	
Our Ref GDR/GA/2186/C15	Tel 0117 930 1500
DX Number	DX Exchange

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



A38 12/02/2009 342  
COMPANIES HOUSE

THURSDAY

---

**Sunscoop Products Limited**  
In Administration

Statement to Creditors pursuant to Rule  
2.33 of the Insolvency Rules 1986 and  
Statement of Proposals under Paragraph 49  
of Schedule B1 of the Insolvency Act 1986

BDO Stoy Hayward LLP

---

---

**TABLE OF CONTENTS**

<b>Section</b>	<b>Page</b>
1 INTRODUCTION	1
2 EVENTS LEADING UP TO THE APPOINTMENT OF THE JOINT ADMINISTRATORS	1
3 STATEMENT OF AFFAIRS AND STATUTORY INFORMATION	2
4 PRESCRIBED PART	2
5 ACHIEVING THE PURPOSE OF THE ADMINISTRATION	2
6 MANAGEMENT OF THE COMPANY'S AFFAIRS SINCE THE JOINT ADMINISTRATORS' APPOINTMENT	4
7 EC REGULATIONS ON INSOLVENCY PROCEEDINGS	5
8 JOINT ADMINISTRATORS' REMUNERATION	6
9 POSSIBLE OUTCOMES FOR THE COMPANY AND CREDITORS	6
10 STATEMENT OF PROPOSALS UNDER PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986	6
Appendix 1 Statutory Information	
Appendix 2 Summary of Time Charged	
Appendix 3 BDO Policy on Fees	
Appendix 4 Creditors' Guide to Fees	
Appendix 5 Form 2.21B	
Appendix 6 Proof of Debt Form	
Appendix 7 List of Creditors	

## **SUNSCOOP PRODUCTS LIMITED - IN ADMINISTRATION**

Registered No. 02393027

Registered office situated at One Victoria Street, Bristol, BS1 6AA.

In the Bristol District Registry

222AA of 2008

### **1 Introduction**

- 1.1 This report is addressed to the creditors of Sunscoop Products Limited ("SPL") ("the company") and incorporates the joint administrators' proposals. I do not propose to call a meeting of creditors to consider the proposals because there will be insufficient assets to enable me to make any distribution to unsecured creditors, other than from the prescribed part, which I mention in section 4 below.
- 1.2 The proposals will be automatically approved if no request for a meeting of creditors is received, nor specific objections are raised, by 30 January 2009.
- 1.3 Under Paragraph 52 of Schedule B1 of the Insolvency Act 1986, if at least 10% of creditors require me to call a meeting they must notify me using form 2.21B (appendix 5) by 30 January 2009. Please note that before such a meeting can be held I will require a deposit towards the cost of convening the meeting. Such deposit may be repaid subject to approval of the other creditors.
- 1.4 If a meeting is requisitioned, creditors may approve the proposals with or without modifications, subject to the joint administrators' agreement to any such modifications. If the creditors reject the joint administrators' proposals a report will be sent to the Bristol District Registry confirming that the creditors have rejected the proposals. The Court may then discharge the administration and make consequential directions. Alternatively, it may adjourn the hearing or make some other Order as it thinks fit.
- 1.5 If the joint administrators' proposals are approved the joint administrators will continue to control the business of the company to the extent that it has not been transferred. The joint administrators would at some later date arrange for the company to exit from the administration, as agreed by the creditors. Based on the information presently available and the current situation the joint administrators' proposal is that the company will be dissolved once the administration is complete.

### **2 Events leading up to the appointment of the joint administrators**

- 2.1 SPL was incorporated on 7 June 1989. The business processed and sold nuts to the retail and ingredient market from a site in South Wales.
- 2.2 SPL initially experienced cash flow pressures principally as a result of losing a key customer in January 2008.
- 2.3 In July 2008 I was instructed by Venture Finance Plc ("VF") the Qualifying Floating Charge Holder ("QFC") to perform an independent review of SPL's business. As a result of the review management resolved to tightly manage payments to suppliers

over the next three months so as to be able to meet the September 2008 VAT quarter payment in full on 31 October 2008.

- 2.4 As it transpired, the financial position did not improve in the period and the directors in fact received insolvency advice in early November 2008 from a different firm, concluding that they should cease to trade unless the business was sold immediately.
- 2.5 On 7 November 2008, Notice of Intention to appoint Graham David Randall and I as joint administrators was filed, following a resolution of the company's shareholders, pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986.
- 2.6 On 13 November 2008, Graham David Randall and I were appointed joint administrators by VF as QFC, and on 14 November 2008 I completed the sale of the business and assets as a going concern to Imperial Snack Foods Limited ("ISFL").

### **3 Statement of Affairs and statutory information**

- 3.1 At appendix 1 is a record of SPL's directors and company secretary together with details of their shareholdings.
- 3.2 At the date of this report, I do not have a final version of the estimated statement of affairs of the company from the directors. Once I have received it, I will forward it to creditors at the earliest opportunity, most likely in my six-monthly report.
- 3.3 In the meantime, for creditors' information, I append a list of creditors taken from the information provided by the directors immediately after my appointment, updated to reflect subsequent claims I have received. If any amounts shown differ from the actual amount owed to creditors, this will not affect their ability to claim the actual amount owed.

### **4 Prescribed Part**

- 4.1 Under the provisions of Section 176A of the Insolvency Act 1986 the joint administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003. Based on present information the joint administrators estimate that after allowing for costs the value of the company's net property, after payment of any preferential claims, could be c£45,000 and this means that the prescribed part would be c£45,000, prior to the costs of its distribution.

### **5 Achieving the purpose of the administration**

- 5.1 The statutory purpose of an administration consists of a hierarchy of three objectives:
  - the rescuing the company as a going concern; or
  - 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
  - realising property in order to make a distribution to one or more secured or preferential creditors.

- 5.2 The sale to ISFL will likely lead to the second objective being achieved, through enhanced asset realisations, the mitigation of preferential creditor claims, and an enhanced prescribed part to unsecured creditors. I expand upon the circumstances surrounding the sale below.
- 5.3 At any rate, the third objective will be achieved for the above reasons.
- 5.4 On Thursday 6 November 2008 the directors informed me that they had already opened negotiations with ISFL with a view to the business being sold via an insolvency process.
- 5.5 Once the Notice of Intention was filed, under instruction from the directors, I made discreet enquiries of my firm's broking database to establish if there was any other interest in acquiring the business. In the meantime, I pursued negotiations with ISFL with haste for a pre packed sale of the business and assets as a going concern to be implemented as soon as the Notice of Appointment of Administrators was filed.
- 5.6 Two potential interested parties, both multi million turnover national players in the food industry, were identified and approached. A non disclosure agreement was issued to one but was not signed or returned, and there was no further apparent interest in the business at that stage.
- 5.7 The directors considered, and, in my capacity as nominated administrator, I concurred, that there was no realistic possibility of an administrator trading the business profitably post insolvency because:
- SPL was a contractual business, trading mainly with large supermarkets, with a real risk that they would terminate the supply contracts upon insolvency;
  - Risk to the customer relationships and subsequent knock on effect of the collectability of the debtor book;
  - Given the directors had been advised to cease to trade, their cooperation for ongoing trading was unlikely;
  - Difficulty in obtaining key supplies, mainly from abroad;
  - Likelihood of trading losses in the insolvency;
  - None of the key stakeholders were willing to lend further monies to fund such losses; and
  - The current account was on stop and there was no money with which to fund the wages due on the 14 November 2008.
- 5.8 Accordingly there was insufficient time available to the directors to conduct a full scale marketing campaign prior to the Notice of Appointment being filed, and it was not considered appropriate to expose the opportunity to the general market as adverse publicity generated would threaten continuity of the business in the very short term.
- 5.9 The directors considered the option of ceasing to trade and liquidating the company. However, mindful of their duties towards creditors, they concluded that continuity of trade via the sale to ISFL would provide vastly enhanced debt realisations than in a

shut down scenario, as well as saving the jobs of the employees and mitigating preferential claims in the administration.

- 5.10 Between the filing of the Notice of Intention and Notice of Appointment, agents King Sturge valued SPL's chattel assets.
- 5.11 Their ex situ valuation was £208,000, higher than the £85,000 realised in the sale to ISFL. However, in my professional judgement, the sale to ISFL is justified for the following reasons:

- Closing down the business would have precipitated significant preferential claims from SPL's 40 employees, a significant portion of which would have to be paid in priority to any distribution was made to the unsecured creditors;
- Secondly the cessation of the trade would have a significant negative impact on the collection of the book debts. The successful collect out by ISFL should hopefully enable greater realisations for creditors than any reduction in chattel asset value; and
- Finally, any sale of SPL's large and immobile machinery carried out post shut down would have required an onsite auction. There is no guarantee that agreement could have been reached with the landlord and utilities for ongoing occupation of the premises post administration, even if the costs of occupation could be funded. In any case, I would expect that the professional costs of such a process would outweigh any benefit in enhanced asset realisations.

- 5.12 The sale of the business and assets of SPL to ISFL was completed on 14 November 2008, the day after my appointment. No trading was carried out by the joint administrators in the period between appointment and sale.

## **6 Management of the company's affairs since the joint administrators' appointment**

### **6.1 Initial Actions**

- 6.1.1 As the business was sold as a going concern, my work therefore concentrated on realising the consideration for the sale assets, realising assets not sold as part of the going concern sale, and my statutory obligations.

### **6.2 Asset realisations**

- 6.2.1 The consideration received for the business and assets of SPL was £85,000, split as follows:

- £45,000 on completion;
- £35,000 based on ISFL continuing to trade with certain key customers of SPL; and
- £5,000 based on former members of SPL's board signing compromise agreements with ISFL (as far as I am aware, none of the former directors are employed by ISFL).

- 6.2.2 To date I have received £45,000 from ISFL, and I continue to monitor progress towards the relevant milestones which will trigger the deferred payments.
- 6.2.3 SPL's stock was sold separately to ISFL at cost price less any deductions for retention of title ("ROT") claims. I am finalising the levels of ROT claims with ISFL.
- 6.2.4 ISFL are collecting the book debts on behalf of VF, who provided invoice discounting facilities to SPL. An incentivised approach has been agreed which will ensure that recoveries are maximised to generate value for creditors. Any surplus on the book debts realised in excess of VF's indebtedness (estimated to be £625,000 excluding any termination fees) will be transferred to the joint administrators.
- 6.2.5 It has come to my attention that there may be other significant intercompany debts owed to SPL, not subject to the VF facility. It is, of course, my intention to pursue and collect such debts, although the directors' draft statement of affairs suggests there are unlikely to be any recoveries. I shall report further in due course.
- 6.2.6 The only other potential asset is a deposit paid for a machinery order not fulfilled pre appointment. I am investigating the terms of the deposit payment to see if there is any possibility of recovery.

### **6.3 Creditors' claims**

- 6.3.1 As far as I am aware there are no preferential claims, as all employees were transferred to ISFL under the TUPE regulations.
- 6.3.2 VF are the first QFC and have first floating charge debenture security over the SPL's assets. At the date of my appointment they were owed c£625,000 from their confidential invoice discounting service, excluding any termination fees, and this should be repaid in full from debtor realisations. VF are also owed around a further £558,000 for cash flow and equity loans, covered by their debenture security.
- 6.3.3 HSBC Bank Plc have second floating charge debenture security over the SPL's assets. At the date of my appointment they were owed c£239,000 although there are unlikely to be any distributions under floating charges in this administration.
- 6.3.4 The unsecured creditors' claims notified to me by the directors at the outset of the administration total c£1.8m. If they have not already done so, creditors are encouraged to submit details of their claims along with the proof of debt form provided (appendix 6), in order that they may participate in any future prescribed part distribution. There will be no other distributions to unsecured creditors.

## **7 EC Regulations on Insolvency Proceedings**

- 7.1 I am required under the Insolvency Rules 1986 to state whether and if so the extent to which the above regulations apply to this administration. In this particular case the EC Regulation will apply and these proceedings will be main proceedings as provided by Article 3 of the aforesaid Regulation.



**8 Joint Administrators' Remuneration**

- 8.1 Kindly note that under the terms of the Insolvency Rules 1986 the joint administrators are obliged to fix their remuneration in accordance with Rule 2.106(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either as a percentage of the value of the property with which the joint administrators have to deal, or alternatively by reference to the time the joint administrators and their staff have spent attending to matters in this administration. In this administration I ask creditors to approve remuneration on a time costs basis.
- 8.2 Attached at appendix 2 is a schedule that summarises the time that has been spent on this administration up to the date of this report. This shows a total of £21,036 over 102.5 hours at an average charge out rate of £205 per hour.
- 8.3 Included within the proposals below is a resolution regarding the joint administrators' remuneration, although where there is no prospect of a dividend to the unsecured creditors other than by the prescribed part, the QFC shall approve the joint administrators' remuneration. For your guidance I attach a document that outlines the policy of BDO Stoy Hayward LLP in respect of fees and disbursements and a Creditors' Guide to Administrators' Fees (appendices 3 and 4).

**9 Possible outcomes for the company and creditors**

- 9.1 The Insolvency Act 1986 and Insolvency Rules 1986 provide a variety of options regarding the possible exit routes for the company from the administration, being primarily a company voluntary arrangement, liquidation or dissolution of the company. It is the joint administrators' recommendation and proposal, as detailed below, that once all assets have been realised and distributed in the administration that the joint administrators arrange for the company to be dissolved.

**10 Statement of proposals under Paragraph 49 of Schedule B1 of the Insolvency Act 1986**

- 10.1 In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 the joint administrators make the following proposals for achieving the purpose of the administration. These proposals will be automatically approved if no request for a meeting of creditors is received, nor specific objections are raised, by 30 January 2009.

**Formal Proposals - the joint administrators propose that:**

- (a) they continue to realise assets in accordance with objective 2 of the statutory purpose of the administration;
- (b) they make payments to the secured and preferential creditors if required and seek the Court's authority to distribute the Prescribed Part to the unsecured creditors;
- (c) they exit the administration by dissolving the company under paragraph 84 of Schedule B1 of the Insolvency Act 1986;

- (d) creditors consider and if thought fit appoint a creditors' committee to assist the joint administrators (such committee must comprise of between 3 and 5 creditors)
- (e) the QFC approve the remuneration of the joint administrators on a time costs basis, to be drawn to account as and when funds are in hand;
- (f) they be discharged from liability under the administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the joint administrators' filing their final report and sending it to creditors;
- (g) the books and records of the company are destroyed 12 months after the dissolution of the company.

Dated: 7 January 2009



Simon Edward Jex Girling  
Joint Administrator

**Sunscoop Products Limited  
In Administration**

**Statutory Information**

**Company Number:** 02393027

**Date of Incorporation:** 07 June 1989

**Address of Registered Office:** One Victoria Street, Bristol, BS1 6AA  
Formerly K1-K3 Coedcae Lane Industrial Est,  
Pontyclun, Rhondda Cynon Taf, CF72 9HG

**Directors:** Raymond Davies  
Michael Robert Rigby  
Alun Thomas  
Edward Hugh Roderick Thomas  
Kenneth Hubert Thomas

**Company Secretary:** Kenneth Hubert Thomas

**Nominal Share Capital:** £25,000

**Registered Shareholders:** No of £1 ordinary shares held

Food Focus Limited	25,000
	<u>25,000</u>

**Trading Results:**

Y/E	Turnover £	Gross Profit £	Net Profit (after tax) £	Directors' remuneration £	Balance on P & L A/c £
31/12/06	9,391,472	1,848,432	111,267	208,973	189,612
31/12/05	8,624,304	1,554,189	126,972	152,528	160,584
31/12/04	7,103,621	1,381,853	121,051	93,187	415,252

# Sunscoop Products Ltd

## Summary of Time Charged and Rates Applicable for the Period From 13 November to 7 January 2009

Description	PARTNER		MANAGER		ADMINISTRATOR		GRAND TOTAL		AV RT
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
A. Pre Appointment Matters									
B. Steps on Appointment	2.50	910.00	1.50	291.00	12.00	1,243.00	16.00	2,444.00	194.00
D. General Administration			13.45	2,609.30	1.55	162.75	15.00	2,772.05	152.75
E. Assets Realisation/Dealing	16.25	5,915.00	13.30	2,580.20			29.55	8,495.20	184.80
G. Employee Matters			1.00	194.00	0.40	38.00	1.40	232.00	287.49
H. Creditor Claims			7.25	1,406.50	1.65	193.40	8.90	1,599.90	165.71
I. Reporting	2.00	728.00	15.25	2,958.50	11.40	1,334.20	28.65	5,020.70	179.76
K. Work					1.75	229.95	1.75	229.95	175.24
									131.40

20.75	7,553.00	53.00	10,282.00	28.75	3,201.30
-------	----------	-------	-----------	-------	----------

Net Total	102.50	21,036.30
Secretarial Expense		75.29
Grand Total		21,111.59



**BDO Stoy Hayward**

### **Sunscoop Limited - In Administration**

In accordance with best practice I provide below details of policies of BDO Stoy Hayward LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows: This in no way implies that staff at all such grades will work on the case.

<b>GRADE</b>	<b>£</b>
Partner	371
Director	330
Senior Manager	266
Manager	227
Assistant Manager	198
Senior Executive	167
Executive	136
Cashier	136
Trainee	97
Support staff/Secretary	61

The rates charged by BDO Stoy Hayward LLP, One Victoria Street, Bristol, BS1 6AA are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO Stoy Hayward LLP records work in respect of insolvency work under the following categories:-

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.



BDO Stoy Hayward

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

### **Other Costs**

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

#### **Category 1**

This heading covers expenses where BDO Stoy Hayward LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), searches at Companies House, land registry searches, fees in respect of swearing legal documents, external printing costs etc. In each case the recharge will be reimbursement of a specific expense incurred.

A further disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 40p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median – less than 10,000 miles per annum) which is the amount the firm pays to staff.

Where applicable, disbursements will be subject to VAT at the prevailing rate.

#### **Category 2**

Additionally some firms recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of a each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO Stoy Hayward LLP, effective from 1 July 2003, is not to recharge any expense which is not a specific cost to the case, therefore there will be no category 2 disbursements charged. Category 2 disbursements, because they are imprecise, require approval by the creditors before they can be drawn.

**BDO Stoy Hayward LLP**

**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 a resolution of the creditors shall be taken as passed if, and only if, passed with 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.

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, and professional guidance has been provided setting out a minimum of 6 category headings under which the work done by the officeholder and his staff should be analysed. As a firm BDO Stoy Hayward LLP operates a computerised time recording system which analyses work done under the following categories:-

- Pre Appointment Matters
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management





BDO Stoy Hayward

## A Creditors' Guide To Administrators' Fees

- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues

Professional guidance suggests the following categories 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 sub-contractors, 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.



BDO Stoy Hayward

## A Creditors' Guide To Administrators' Fees

### 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 creditor, 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 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 that 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.

## Creditor's request for a meeting

Name of Company <b>Sunscoop Limited</b>	Company number <b>02393027</b>
In the <b>Bristol District Registry</b> <small>[full name of court]</small>	Court case number <b>222AA of 2008</b>

(a) Insert full name and address of the creditor making the request

I (a) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(b) Insert full name and address of registered office of the company

request a meeting of the creditors of (b) \_\_\_\_\_  
 \_\_\_\_\_

(c) Insert amount of claim

My claim in the administration is (c) \_\_\_\_\_

(d) Insert full name(s) and address(es) of creditors concurring with the request (if any) and their claims in the administration if the requesting creditor's claim is below the required 10%

(d) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

concur with the above request, and I attach copies of their written confirmation of concurrence.

(e) Insert details of the purpose of the meeting

The purpose of the meeting is (e) \_\_\_\_\_  
 \_\_\_\_\_

Signed \_\_\_\_\_

Dated \_\_\_\_\_

**PROOF OF DEBT**

**Bristol District Registry**

**No 222AA of 2008**

**Sunscoop Limited  
- In Administration -**

**Date of Administration 13 November 2008**

- 1 Name of creditor
- 2 Address of creditor
- 3 Total claim including VAT and interest as at  
the date of the appointment of administrators £  
*(see overleaf)*
- 4 Details of documents by which debt can be  
substantiated (please attach copy documents)
- 5 Amount of any interest included in claim £
- 6 Is the whole or part of the debt preferential? Yes / No  
If so, state amount, and details £  
**See notes overleaf**
- 7 Particulars of how and when debt incurred
- 8 Particulars and value of any security held and  
the date it was given
- 9 Signature of creditor  
or other authorised person .....  
Name in BLOCK LETTERS .....  
Creditor's reference: .....
- 10 Position or Relationship with Creditor .....

### **For Use of Administrator Only**

11 Admitted to vote for £

Date

Joint Administrator

12 Admitted preferentially  
for £

Admitted non-preferentially  
for £

Date

Date

Joint Administrator

Joint Administrator

### **Guidance Notes re Preferential Debts:**

The categories of preferential debts under S.386(1) of the Insolvency Act 1986 are as follows:

- pension scheme contributions
- remuneration etc of employees
- Levies on Coal & Steel Productions.

### **VAT Bad Debt Relief**

The provisions of the Finance Act, 1990, came into effect on 26 July, 1990, and introduced changes in the way that VAT on Bad Debts is recovered.

Your claim overleaf must be quoted inclusive of VAT. You may claim relief on your VAT return when the debt is at least six months old and has been written off. Any dividend you receive in respect of this claim will include payment in respect of the VAT element of your debt and you will be responsible for declaring such VAT to HM Customs & Excise.

# Sunscoop Products Limited BDO Company Creditors

Key	Name	Address	£
CA00	ALDEBARAN COMMODITIES B.V.	B.V.P.O. BOX 23053, 3001 KB, MAASSTRAAT, ROTTERDAM, NETHERLANDS	111,921.00
CA01	ALCAN PACKAGING CUMBRIA	SALTERBECK TRADING ESTATE, HARRINGTON, WORKINGTON, CUMBRIA, CA14 5DX	7,374.00
CA02	ABACUS RECRUITMENT SERVICES LTD	TUDOR HOUSE, HANBURY ROAD, PONTYPOOL, TORFAEN GWENT, NP4 6JL	2,301.00
CA03	APPARELMASTER UK	A 14 TREFOREST IND. EST., PONTYPRIDD, MID GLAMORGAN, CF37 5SY	1,203.00
CA04	A FEATHERSTONE	48 rdgeway, hixon, stafford, staffs, st18 0tz	1,200.00
CA05	AUTOMOTIVE LEASING LTD	165 BATH ROAD, SLOUGH, BERKSHIRE, SL1 4AA	386.00
CA06	AIR PRODUCTS	2 MILLENNIUM GATE, WEST MERE DRIVE, CREWE, CW61 8AP	52.00
CB00	BARROW LANE & BALLARD LTD	52/54 SOUTHWARK STREET, LONDON, SE1 1UR	529,747.00
CB01	Birdsong Peanuts	612 Madison Avenue, Suffolk, Virginia, 23434, USA	217,105.00
CB02	BIC INNOVATION	INTEC., PARC MENAI, GWYNEDD, LL57 4FG	8,225.00
CB03	BDO STOIY HAYWARD	ONE VICTORIA STREET, BRISTOL, BS1 6AA	4,778.00
CB04	BRITISH GAS	CUSTOMER SERVICES, P O 7687, LEICESTER, LE19 1ZT	2,288.00
CB05	B2B IT SERVICES	40 NORWOOD, THORNHILL, CARDIFF, CF14 9DE	1,951.00
CB06	BLACKWOOD IND. SUPPLIES	WAUN Y POUND IND EST, EBBW VALE, S.WALES, NP23 8PL	1,210.00
CB07	BRITISH SALT LIMITED	CLEDFORD LANE, MIDDLEWICH, CHESHIRE, CW10 0JP	879.00
CB08	BAYSIDE ENGINEERING LTD	3 BRINDLEY ROAD, CARDIFF, CF11 8TX	489.00
CB09	BOGE COMPRESSORS	Rastrick Common, Brighouse, West Yorkshire, HD6 3DR	440.00
CB0A	BOWKER	holme road, bambur bridge, preston, PR5 8BP	355.00
CC00	Canon Garth Limited	Alexander House, 31-39 London Road, Sevenoaks, TN13 1AR	394,759.00
CC01	C. I. H. BREDA B.V.	CIH-INDUSTRIETREIN, HAZELDONK., DEN AART 18 4891 RR., RIJSBERGEN.	53,903.00
CC02	C.G. HACKING & SONS LTD	CALVERTS BUILDINGS, 50 BOROUGH HIGH STREET, LONDON, SE1 1XW	20,733.00
CC03	CMS & SONS LTD.,	UNITS 1/2, BEECHES INDUSTRIAL ESTATE, COED CAE LANE, PONTYCLUN, CF72 9DY	622.00
CC04	CASE ALARMS LTD	grain barn office, dney park farm, yardley road, onley, bucks, MK46 5EJ	228.00
CC05	COMPUTER FORMS (WALES)	CROFTY INDUSTRIAL ESTATE, PENCILAWDD, SWANSEA, SA4 3RS	113.00
CC06	Chep UK Limited	Village Way, The Village, Trafford Park, Manchester, M17 1HR	0.00
CD00	DOMINO UK LIMITED	BAR HILL, CAMBRIDGE, CB23 8TU	3,555.00
CE00	EBR LTD	WEST QUAY ROAD, ENTERPRISE PARK, SUNDERLAND, SR5 2TE	9,976.00
CE01	EUROSCALES HOLDINGS LTD	NEW TOWNS YARD, GREEN STREET, MACCLESFIELD, CHESHIRE, SK10 1JQ	582.00
CE02	ECOLAB SERVICES LIMITED	HERITAGE HOUSE, 234 HIGH STREET, SUTTON, SURREY, SM1 1NX	552.00
CE03	EDGE CLEANING EQUIPMENT	CAMBRIAN HOUSE, WEST MARKET STREET, NEWPORT, NP20 2AU	442.00
CE04	ECLIPSE INTERNET	Suites 1 & 2, first floor, osprey house, osprey road, sowton industrial estate, exeter, EX2 7JG	47.00
CE05	Enterprise Consulting Limited	2 Regents Court, Nettlefold road, Ocean Way, Cardiff, CF24 5UJ	0.00
CF00	FBA	4 SCIENCE PARK, ABERYSTWYTH, SY23 3AH	11,097.00
CF01	FDI CCL DISCOUNT SCHEME	PO BOX 253, SALFORD, M50 3XS	320.00
CF02	FTM MATERIALS HANDLING LTD	UNITS 1&2, EWENNY IND. ESTATE, BRIDGEND, MID GLAMORGAN, CF31 3EX	302.00
CG00	GELPACK EXCELSIOR LIMITED	WESTFIELDS TRADING EST., GRANDSTAND ROAD, HEREFORD, HR4 9NT	4,848.00
CG01	GREEN PARK MANAGEMENT	C/O KAHN THOMAS SHANKLAND, CHARTERED ACCOUNTANTS, 33-35 CATHEDRAL ROAD, CARDIFF, CF1 9HB - gone away	2,578.00
CG02	GRANT HANDLING LTD	UNIT 10, HEWITTS IND EST., ELMBRIDGE ROAD., CRANLEIGH, SURREY, GU8 8LW	718.00

Signature

Date

# Sunscoop Products Limited B-Company Creditors

Key	Name	Address	£
CH00	HARLECH FOODS	Y Ffor, Nr Pwllheli, Gwynedd, LL53 6UW	176.00
CH01	HBS foods	UNIT 6, WASHINGTON CENTRE, HALESOWEN ROAD, DUDLEY, DY2 9RE	16.00
CH02	HM Revenue & Customs	Insolvency Operations, 3NW Queens Dock, Liverpool, L74 4AF	0.00
CH03	Hollingsworth and Vose	FAO David Wilkinson, Post Lip Mills, Winchcombe, Gloucestershire, GL54 5BB	0.00
CH00	IOG PROPERTY MANAGEMENT LLP	3 VINE TERRACE, HIGH STREET, HARBORNE, BIRMINGHAM, B17 9PU	4,623.00
CH01	INSPIRE DIGITAL SOLUTIONS LTD	10 WATERSIDE COURT, ALBANY STREET, NEWPORT, NP20 5NT	40.00
CJ00	John T Evans Haulage Limited	Atlantic Way, Barry Docks, Vale of Glamorgan, CF83 3RA	35,070.00
CJ01	JWP	EQUINOX 30 COMMERCE ROAD, LYNCHWOOD, PETERBOUGH, PE2 8LR	720.00
CJ02	J.L ASSOCIATES - SWALLOWMEAD	SMALLOWMEAD, PENUEL ROAD, PENTYRCH, CF15 9LJ	500.00
CK00	KERFOOT	THE OLIVE HOUSE, STANDARD WAY INDUSTRIAL ESTATE, DARLINGTON ROAD, NORTHALLERTON, DL6 2XA	14,079.00
CK01	KERRY INGREDIENTS	EQUINOX SOUTH, GREAT PARK ROAD, BRADLEY STOKE, BRISTOL, BS32 4QL	2,840.00
CK02	KELGRAY PRODUCTS LIMITED	KELGRAY HOUSE, SPINDLE WAY, CRAWLEY, WEST SUSSEX, RH10 1TH	1,101.00
CK03	KCCGLOBAL	GLOBAL HOUSE, ADLINGTON ESTATE, ADLINGTON, CHESHIRE, SK10 4BF	198.00
CL00	LIGHT HOUSE	LIGHTHOUSE DISPLAY, THE THUNDERBAY WORK, CROSSGATE DRIVE, NOTTINGHAM, NG2 1LQ	1,445.00
CL01	LABEL NEEDS	UNIT 3, ELY BRIDGE INDUSTRIAL ESTATE, ELY, CARDIFF, CF5 4AQ	490.00
CL02	LAB 3 LIMITED	Unit 1, Ross Road Business Centre, Northampton, NN5 5AX	242.00
CL03	LONDON TRANSLATIONS	138-140 Southwark Street, London, SE1 0SW	118.00
CL04	Mr Lewis	Unit 5, Beeches Industrial Estate, Coedcae Lane, Pontyclun, CF72 9DY	0.00
CM00	MID GLAM PACKING SUPPLIES	UNIT 8, NINE MILE POINT ESTATE, CWMFELINFACH, GWENT, NP1 7HZ	884.00
CM01	3M	3M HEALTH CARE LTD, 3M CENTRE, CAIN ROAD, BRACKNELL, BERKSHIRE, RG12 8HT	437.00
CN00	NATIONAL FLEXIBLE LIMITED	2 BATTLEFIELD VIEW, BIRKENSHAW, BRADFORD, BD11 2PT	23,414.00
CN01	NISA TODAY'S (HOLDINGS)	P O BOX 58, SCUNTHORPE, NORTH LINCOLNSHIRE, DN15 8RG	284.00
CO00	OWEN FUELS	CHEVRON TERMINAL, ROATH DOCK, ROVER WAY, CARDIFF, CF10 4US	2,667.00
CP00	PREMIER FRUIT & NUT LTD	PREMIER HOUSE, 325 STREATHAM HIGH ROAD, LONDON, SW16 3NT	175,987.00
CP01	PISTACHIO INVESTMENT	MAASSTRAAT 17 3018 DB, ROTTERDAM, P.O. BOX 23053, 3001 KB THE NETHERLANDS	23,055.00
CP02	PROTECTIVE PACKAGING	c/o RBS Invoice Finance, Smith House, Elmwood Avenue, Feltham, Middlesex TW13 7QD	12,818.00
CP03	PLASTOK GROUP	75-79 MARKET STREET, BIRKENHEAD, WIRRAL, CH41 8AN	183.00
CR00	RASCAL CONFECTIONERY	SAMAL HOUSE, LOXFORD ROAD, BARKING, ESSEX, IG11 8PU	11,236.00
CR01	RHONDDA CYNON TAFF COUNTY BC	MOY ROAD DIRECTOR CORPORATE SERVICES, BRONWYDD, PORTH, RHONDDA, CF39 9DL	9,060.00
CR02	RHYS DAVIES	MOY ROAD INDUSTRIAL ESTATE, TAFFS WELL, CARDIFF, CF15 7QR	6,312.00
CR03	R S COMPONENTS LIMITED	P.O. BOX 99, CORBY, NORTHANTS, NN17 9RS	1,462.00
CR04	RDC PALLET TRUCK SERVICES	33 PARK AVENUE, NORTHCRAWL, MID GLAM, CF36 3ER	153.00
CR05	RYDER PLC	GLOBE LANE, DUKINFIELD, CHESHIRE, SK16 4UL	(4,115.00)
CR06	Royal Bank of Canada Trust Co Ltd	c/o Reed Smith, Trigen House, Central Boulevard, Blythe Valley Park, Solihull B90 8AB	0.00
CS00	SCA PACKAGING LIMITED	FINANCE SERVICE CENTRE, FAVERDALE INDUSTRIAL ESTATE, DARLINGTON, COUNTY DURHAM, DL3 0QU	6,728.00
CS01	STRUCTURAL CHANGE CONSULTANTS	2 REGENTS COURT, NETTLEFORD ROAD, OCEAN PARK, CARDIFF BAY, CF24 5JQ	4,113.00
CS02	SWALEC	SWALEC, PO BOX 2346, CARDIFF, CF23 8WE	2,250.00
CS03	SPRINGDEW	9/10 WOODLANDS BUSINESS PARK, YSTRADGYNLAIS, SWANSEA, SA9 1JW	1,742.00

Signature

Date

Key	Name	Address	
CS04	SET OFFICE SUPPLIES	ASSET HOUSE, 63 PENARTH ROAD, CARDIFF, CF10 5RA	695.00
CS05	Soil Association Certification Limited	Bristol House, 40 - 56 Victoria Street, BS1 6BY	258.00
CS06	SOUTH WALES SCALES	37 STAMPERLAND CRESCENT, CLARKSTON, GLASGOW, G78 8LH	78.00
CS07	Sounds Creative Ltd	Northburgh House, 10A Northburgh Street, London, EC1V 0AT	0.00
CT00	THOMAS CARROLL (BROKERS) LTD	PENDRAGON HOUSE, CRESCENT ROAD, CAERPHILLY, CF83 1XX	3,451.00
CT01	TRIDENT RENTALS LTD	UNIT 16 HIGHER WALTON MILL, CANN BRIDGE STREET, HIGHER WALTON, PRESTON, PR5 4DJ	2,566.00
CT02	THOMAS SILVEY LIMITED	111-119 NEWFOUNDLAND ROAD, BRISTOL, BS2 8LU	1,623.00
CT03	TNT EXPRESS (UK) LIMITED	c/o Niall Hanna, Eversheds, 70 Great Bridgewater Street, Manchester, M1 5ES	628.00
CU00	UWIC COMPANY LIMITED	CENTRAL FINANCE DEPARTMENT, P O BOX 377, WESTERN AVENUE, CARDIFF, CF5 2SG	1,649.00
CV00	VEOLIA ENVIRONMENTAL SERVICES	LONDON ROAD, BROWNHILLS, WALSALL, WEST MIDLANDS, WS8 7BB	388.00
CW00	WELSH WATER AUTHORITY	P O BOX 690, CARDIFF, CF3 9WL	389.00
CZ00	Zeina Foods	ZEINA HOUSE, MILNER WAY, OSSETT, WAKEFIELD, WF5 9JE	80,000.00
88 Entries Totalling			1,809,151.00

Signature

Date