

The Insolvency Act 1986

**Administrator's progress report****2.24B**

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>

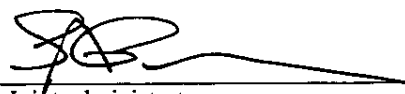
(a) Insert full name(s) and address(es) of administrator(s)

We (a) Simon Edward Jex Girling and Graham David Randall of BDO LLP, One Victoria Street, Bristol, BS1 6AA

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

(b) Insert date	From (b) 13 May 2009	to (b) 12 November 2009
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Signed

  
Joint administrator

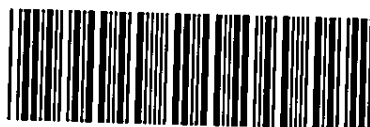
Dated

16 November 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 LLP, One Victoria Street,	
Bristol, BS1 6AA	
Our Ref SEG/MDE/2059/A6	Tel 0117 930 1564
DX Number	DX Exchange

A15 21/11/2009 107  
COMPANIES HOUSE

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

«NAME»

«A1»

«A2»

«A3»

«A4»

«A5»

17 November 2009

Your Ref «CREF»  
Our Ref SEG/MDE/2154/A6Please ask for  
Mark Ellis  
0117 9301564**TO ALL CREDITORS**

Dear Sirs

**Sunscoop Products Limited - In Administration ("SPL")**

It is now twelve months since my appointment in respect of the Company. In accordance with Rule 2.47 of the Insolvency Rules 1986 I am now reporting the progress made in implementing the approved proposals and achieving the statutory purpose of the administration.

**1 Statutory Information.**

The joint administrators are Simon Edward Jex Girling and Graham David Randall of BDO LLP, One Victoria Street, Bristol, BS1 6AA and they were appointed in respect of the above company on 13 November 2008. Under the provisions of paragraph 100(2) of schedule B1 of the Insolvency Act 1986 the administrators carry out their functions jointly and severally.

The administrators were appointed by Venture Finance Plc ("VF") being the prior Qualifying Floating Charge Holder, pursuant to Paragraph 14 of schedule B1 of the Insolvency Act 1986. The administration proceedings are dealt with in the Bristol District Registry and the court case number is 222AA of 2008.

The company's registered office is situated at One Victoria Street, Bristol, BS1 6AA, and the registered number is 02393027.

I enclose, for your information, a summary of my receipts and payments to date showing a balance in hand of £42,957, together with a copy of my abstract account covering the last six month period, and report as follows:

SATURDAY

A15

21/11/2009

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COMPANIES HOUSE



## **2 Receipts**

The receipts shown are largely self-explanatory, although I would comment specifically on:

### ***Book Debts***

As part of the deal to purchase the business and assets of SPL, Imperial Snack Foods Limited ("ISFL") entered into an agreement with VF to collect the SPL book debt ledger on their behalf. The ledger was transferred back to SPL in June 2009 with only two significant debtors remaining.

The £6,756 recorded under book debts represents the first of the two debtors, after a prolonged investigation I expect to collect the second debt by the end of the year. Both debts will be paid over to VF subject to the prescribed part arrangement mentioned below.

## **3 Future of the Administration**

Once the final book debt is collected and a figure is agreed for the stock I will pay the prescribed part dividend to unsecured creditors and then seek to exit the administration by way of dissolution. SPL will be struck off the Companies register 3 months after dissolution.

## **4 Extension of Administration**

VF and HSBC Bank Plc being the Qualifying Floating Charge Holders granted permission for a six month extension of the administration to 12 May 2010. an application was submitted to the Registrar of Companies on 6 November 2009 and filed on 13 November 2009.

## **5 Prospects for Creditors**

Under Section 176A of the Insolvency Act 1986 where after 15 September 2003 a company has granted to a creditor a floating charge a proportion of the net property of the company must be made available purely for the unsecured creditors. As per my proposals I have set aside c£43,000 for the prescribed part calculated gross of any costs of distribution per below.

## **6 Administrators' Remuneration**

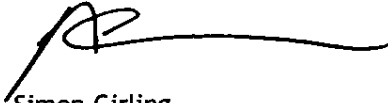
The creditors have already approved the Administrators' remuneration on a time costs basis and to date I have drawn £31,000.00 in respect of remuneration as shown on the attached receipts and payments account. I attach a schedule which summarises the time costs accrued to date and indicates the work undertaken in that respect. To date my time costs are £45,324. I anticipate that my fees for this administration will be £50,000 plus disbursements plus VAT paid out of floating charge assets, which has been authorised by VF, the Qualifying Floating Charge Holder. I anticipate additional fees of £7,500 plus disbursements plus VAT for agreeing and distributing the prescribed part, this will be paid out of the prescribed part funds.

**Disbursements**

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. I therefore report that since my last report the sum of £166.00 has been drawn in respect of category 1 disbursements.

Some administrators 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 LLP is not to charge any category 2 disbursements.

Yours faithfully  
for and on behalf of  
Sunscoop Products Limited



Simon Girling  
Joint Administrator

Licensed to act as an insolvency practitioner by the Insolvency Practitioners Association  
The Joint Administrators are agents of the company, and act without personal liability

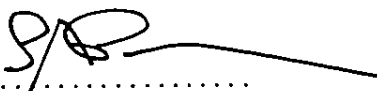
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**Sunscoop Products Limited**  
(In Administration)  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 13/05/2009 To 12/11/2009	From 13/11/2008 To 12/11/2009
	<b>ASSET REALISATIONS</b>		
145,000	Plant & Machinery	0	79,996
45,000	Stock	0	0
800,000	Book Debts	6,756	6,756
	Property Rights/Patents	0	1
	Goodwill	0	1
	Trading Names	0	1
	Bank Interest Gross	59	176
	Insurance Refund	590	590
	Contracts	0	1
1,420	Rates Refund	0	3,066
		<b>7,406</b>	<b>90,589</b>
	<b>COST OF REALISATIONS</b>		
	Specific Bond	0	158
	Office Holders Fees	31,000	31,000
	Office Holders Expenses	166	166
	Agents/Valuers Fees (1)	0	750
	Legal Fees (1)	680	6,630
	Legal fees (2)	0	3,025
	Consultancy Fees	0	4,000
	Storage Costs	196	360
	Statutory Advertising	0	165
	Insurance of Assets	1,152	1,152
	Bank Charges	6	6
	Pension Advisory	0	220
		<b>(33,200)</b>	<b>(47,631)</b>
<b>(2,504,164)</b>		<b>(25,794)</b>	<b>42,957</b>

**REPRESENTED BY**

Vat Receivable	7,289
Floating Account	35,668
	<b>42,957</b>

  
 .....  
 Simon Edward Jex Girling  
 Joint Administrator

Name of Assignment : Sunscope Products Limited - In Administration

Summary of Time Charged and Rates Applicable for the Period From 13 November 2008 to 12 November 2009

	PARTNER		MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		GRAND TOTAL		AV RT
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
B. Steps on Appointment	2.50	910.00	2.75	533.50			12.00	1,243.00	17.25	2,686.50	155.74
C. Planning and Strategy			4.00	792.00					4.00	792.00	198.00
D. General Administration	0.05	16.50	25.95	5,151.30	0.20	36.20	59.10	8,267.25	85.30	13,471.25	157.93
E. Assets Realisation/Dealing	18.00	6,552.00	18.20	3,550.40			7.90	1,291.30	44.10	11,393.70	258.36
G. Employee Matters			1.00	194.00			0.40	38.00	1.40	232.00	165.71
H. Creditor Claims			9.00	1,753.00			2.15	223.90	11.15	1,976.90	177.30
I. Reporting	8.75	3,199.00	39.60	7,779.80			27.40	3,793.00	75.75	14,771.80	195.01
	29.30	10,677.50	100.50	19,754.00	0.20	36.20	108.95	14,856.45	238.95	45,324.15	189.68

Net Total	238.95	45,324.15
Secretarial Expense		0.00
Other Disbursements		165.94
Billed		(31,165.94)
Not billed		14,324.15



## Sunscoop Products Limited - In Administration

In accordance with best practice I provide below details of policies of BDO 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.

### GRADE £

Partner 1	460
Partner 2	371
Director	330
Senior Manager	266
Manager	227
Assistant Manager	198
Senior Executive	167
Executive	136
Junior Executive	122
Cashier	136
Trainee	97
Support staff/Secretary	61

The rates charged by BDO 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 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.

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 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 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 LLP  
13 November 2009



## **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
- 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.

### **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.

GDR/MDE/2154/C11