

The Insolvency Act 1986

**Administrator's progress report**

Name of Company Sudden Impact Limited	Company number 03828447
In the High Court of Justice (full name of court)	Court case number 6447 of 2010

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

I/We (a)  
Paul William Ellison  
RSM Tenon Recovery  
First Floor  
Davidson House  
Reading  
Berks RG1 3EU

Gareth Wyn Roberts  
RSM Tenon Recovery  
First Floor  
Davidson House  
Reading  
Berks RG1 3EU

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From (b) 16 February 2011	To (b) 15 August 2011
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Signed

*P. Ellison*  
Joint / Administrator(s)

Dated

16 8.11

**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 put

Paul William Ellison  
RSM Tenon Recovery  
First Floor  
Davidson House  
Reading  
Berks RG1 3EU

DX Number Reading

0118 9530350  
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**



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20/08/2011

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COMPANIES HOUSE

To All Known Creditors

RSM Tenon Recovery  
First Floor, Davidson House, Reading, Berks  
RG1 3EU  
T 0118 9530350  
F 0118 9530351  
www.rsmtenon.com

Our Ref PWE/GWR/JL/SC/SUD831  
Your Ref

16 August 2011

Dear Sirs

**Sudden Impact Limited ("the Company") - In Administration**

I enclose a copy of the Joint Administrators' second progress report in relation to the above administration

I can advise creditors that in accordance with paragraph 78(2)(a) of Schedule B1 of the Insolvency Act 1986 consent of the secured creditor has been received to extend the administration for a period of 6 months to 16 February 2012

Should you require any further information relating to this report, please do not hesitate to contact this office on the number above

Yours faithfully  
For and on behalf of  
Sudden Impact Limited – In Administration



**Paul Ellison**  
Joint Administrator

*Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales  
The affairs, business and property of the Company are being managed by the Administrators*

Enclosures      Joint Administrators' Report  
Appendix I Statutory Information  
Appendix II Receipts & Payments account  
Appendix III Information relating to Administrators' Fees and Expenses  
Form 2 24B - Administrators' Progress Report

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**Sudden Impact Limited (“the Company”) – In Administration**

**Joint Administrators’ 2<sup>nd</sup> Progress Report  
for the period from 16 August 2010 to 15 August 2011**

**Issued on: 15 August 2011**

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Paul William Ellison and Gareth Wyn Roberts of RSM Tenon Recovery are the Joint Administrators of the Company and this is their report on the progress of the administration of the Company for the period from 16 August 2010 to 15 August 2011. This report should be read in conjunction with previous progress reports.

## **1. Statutory Information**

Statutory information relating to the Company is attached at **Appendix I**

## **2 Joint Administrators' receipts and payment account**

A summary of the Joint Administrators' receipts and payments account relating to the Company for the relevant period from 23 February 2011 to 15 August 2011 and cumulatively (from appointment on 16 August 2010 to date of this report) is attached at **Appendix II**

## **3. Action taken by the Joint Administrators since last report**

As previously advised, Joint Administrators' proposals for achieving the purpose of the Administration were approved by creditors on 12 October 2010.

Since my last report, I can advise that a further £2,230.43 has been collected from outstanding insurance claims and based upon the directors' estimated realisations, a further £56,485 is outstanding.

### *Investigations*

There are no outstanding lines of enquiry.

Administrators have a duty to submit confidential reports to the government's Disqualification Unit on the conduct of those persons who acted as directors of the Company in the three year period before the Administration. These have been completed.

### *Extension to period of Administration*

Given the amount of outstanding claims awaiting conclusion, it was necessary to request an extension to the period of the administration for a further 6 months in accordance with paragraph 78(2)(a) of Schedule B1 of the Insolvency Act 1986.

This will enable the administration period to run until 16 February 2012 and further claims to be concluded and realisations made.

The secured creditor, Barclays Bank Plc, consented to this extension on 26 July 2011.

## **4. Future Actions of the Joint Administrators**

As advised above, the remaining assets are the ongoing insurance claims payable to the Company. The director's assistance in dealing with these claims is still required in order to secure payment and the Joint Administrators will be liaising closely with him to move these claims to payment.

## 5. Liabilities and dividends

### Secured Creditors

To date the sum of £35,000 has been paid to Barclays Bank Plc under the terms of the security

### Preferential Creditors

A first and final dividend of 100p/£ was declared and paid to all preferential creditors on 12 July 2011. A total of £5,659.43 has been paid to preferential creditors in this matter.

As advised in the Proposals report there is no prospect of a dividend to unsecured creditors.

## 6. Joint Administrators' Remuneration, Disbursements and Expenses

### *Basis of remuneration and disbursements*

The Joint Administrators' Proposals provided for the Joint Administrators to be remunerated with reference to time properly spent in dealing with this with matters in the Administration and that disbursements be drawn in accordance with the tariff outlined in **Appendix III**. The Joint Administrators' remuneration and disbursements on the basis outlined in the Proposals were approved by the secured and preferential creditors on 12 October 2010.

### *Remuneration charged and drawn in the period*

The Joint Administrators' time costs were charged (exc VAT) as follows:

For this period, from 23 February 2011 to 15 August 2011	£8,679.00
Since appointment on 16 August 2010 to 22 February 2011	£39,496.00
<b>Total</b>	<b>£48,175.00</b>

In accordance with Statement of Insolvency Practice 9, attached at **Appendix III** is a breakdown of these time costs:

Time costs drawn are as follows:

In this period, from 23 February 2011 to 15 August 2011	£5,000.00
Since appointment on 16 August 2010 to 22 February 2011	£22,000.00
<b>Total</b>	<b>£27,000.00</b>

In accordance with Statement of Insolvency Practice 9, attached at **Appendix III** is a breakdown of these time costs:

Since the end of this period to the current date, further time costs have been incurred of £910 representing 3 50 hours, no fee has been drawn

*Disbursements incurred and drawn*

The Joint Administrators' disbursements incurred during the period of this report and those reimbursed in the period are summarised below Details are in the attached Appendix III

	Incurred	Paid
Category 1 disbursements for this period, from 23 February 2011 to 15 August 2011	£138 69	£138 69
Category 2 disbursements for this period, from 23 February 2011 to 15 August 2011	£0 00	£0 00
Category 1 disbursements since appointment on 16 August 2010 to 15 August 2011	£11,801 65	£11,801 65
Category 2 disbursements since appointment on 16 August 2010 to 15 August 2011	£216 05	£0 00
<b>Total</b>	<b>£12,156.39</b>	<b>£11,940.34</b>

*Expenses (professional advisors) charged and drawn in the period*

The following professional advisors have been instructed in this matter

<i>Professional Advisor</i>	<i>Nature of Work</i>	<i>Fee Arrangement</i>
Matthew Arnold Baldwin	Legal Fee	Agreed Fee
Blake Lapthorn	Legal Fee	Agreed Fee

The choice of professionals was based on perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the Administrators' fee arrangement with them Details of the costs incurred and paid by the Administrators in relation to administration expenses for the period are also attached at **Appendix III**.

*Pre-administration costs*

No pre administration costs have been paid in this matter

*Creditors' Guide to Fees and statement of creditors' rights*

Creditors have a right to request further information from the Administrators and additionally have a right to challenge the Administrators' remuneration and expenses time limits apply Details can be found in the document

'Remuneration Guidelines Administration (post 6 April 2010)' which you can access and download at <http://www.rsmtenon.com/creditorguides> Alternatively a copy is available free of charge upon request from the address above

## **7. End of Administration**

As outlined previously it is the Joint Administrators' intention to exit the administration by dissolution

Yours faithfully



**Paul W Ellison**

Joint Administrator

*Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales  
The affairs, business and property of the Company are being managed by the Administrators*

## Appendix I

### Company Information

Company Name	Sudden Impact Limited
Previous Name	Sunswell Limited
Company Number	03828447
Date of Incorporation	19 August 1999
Trading Address	Sivers House, White Hart Road, Slough, Berkshire, SL1 2SF
Current Registered Office	First Floor, Davidson House, Reading, Berkshire, RG1 3EU
Former Registered Office	66 Park Avenue, Egham, Surrey, TW20 8HN
Principal Trading Activity	Motor accident claims handler

### Appointment details

Joint Administrators' name and address	Paul William Ellison of RSM Tenon Recovery, First Floor, Davidson House, Reading, Berks RG1 3EU and Gareth Wyn Roberts of RSM Tenon Recovery First Floor, Davidson House, Reading, Berks RG1 3EU
Date of appointment	16 August 2010
Court Name and Reference	High Court of Justice 6447 / 2010
Appointment made by	Directors
Actions of Joint Administrators	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone
Extension to period of appointment	Extended to 16 February 2012



**Sudden Impact Limited  
(In Administration)**

**JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 23/02/2011 To 15/08/2011 £	From 16/08/2010 To 15/08/2011 £
<b>RECEIPTS</b>			
Goodwill	NIL	0 00	0 00
Motor Vehicles	3,200 00	0 00	2,723 40
Finalised Claims	186,265 00	2,230 43	111,776 55
Legal Fee Refund		0 00	100 00
Insurance Refund		0 00	6,849 36
Interest Net of Tax		59 23	112 40
Vat Payable		446 08	20,128 73
		<u>2,735 74</u>	<u>141,690 44</u>
<b>PAYMENTS</b>			
Wages		0 00	20,500 00
Petty Cash		0 00	1,000 00
Telephone		0 00	756 61
Hire of Equipment		0 00	4,130 00
Barclays Bank plc		10,000 00	35,000 00
Specific Bond		0 00	528 00
Joint Administrators' Fee		5,000 00	27,000 00
Legal Advice And Costs		0 00	1,010 00
Print, Post & Stationery		138 69	138 69
Re-Direction of Mail		0 00	25 96
Statutory Advertising		0 00	75 60
Insurance of Assets		0 00	11,033 40
Bank Charges		6 50	6 50
Employee Arrears/Hol Pay (100p/£)		5,659 42	5,659 42
Vat Receivable		1,000 00	6,246 43
Vat Control Account		0 00	15,552 64
		<u>21,804 61</u>	<u>128,663 25</u>
<b>BALANCE - 15 August 2011</b>			<u><u>13,027.19</u></u>



Paul William Ellison  
Joint Administrator

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## **Appendix III – Information relating to the Joint Administrators’ Fees and Expenses**

## Appendix III

### Sudden Impact Limited

#### Information relating to the Joint Administrators' Fees and Expenses

##### 1. Explanation of Administrators' charging and disbursement recovery policies

###### 1.1. Time recording

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are

	Rate since 1 January 2011 £	Rate from 1 January 2010 to 31 December 2010 £
Director and licensed Insolvency Practitioner	380	380
Manager	260-280	245-265
Administrator	210	200
Secretarial and support staff	80	70
Cashier	210	200

###### 1 2. Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by RSM Tenon Recovery and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred. Examples of Category 1 expenses are postage, case advertising, specific bond insurance, company search fees, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements include elements of shared or allocated costs incurred by RSM Tenon Recovery and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, and internal storage.

The current levels of Category 2 disbursements recovered by RSM Tenon Recovery are as follows

Mileage	45p per mile
Photocopying	5p per sheet
Storage	£50 per box
Meeting room hire	£50 per meeting

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally

## **2. Description of work carried out**

Section 4 of this appendix outlines the time costs to date in relation to activities undertaken during this period. These can be summarised as follows

### **2.1. Administration and planning**

This includes the following activities which have been undertaken

- > Statutory duties associated with the appointment including the filing of relevant notices,
- > Notification of the appointment to creditors, members, employees and other interested parties,
- > Reviewing available information to determine appropriate strategy,
- > Maintaining bank accounts,
- > 6 monthly progress review of the case

Staff of different levels were involved in the above activities depending upon the experience required

### **2.2. Investigations**

The time spent includes

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of company documentation,
- > Completion of statutory returns to the Insolvency Service

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff

### **2.3. Realisation of assets**

Please refer to the main body of the report but in summary the time spent includes

- > Liaison with agents and solicitors,
- > Sale of assets
- > Liaising with claim handlers

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Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake. The sale of the business was particularly complex and required extensive involvement of the Administrators and senior staff.

#### **2.4. Creditors**

The time spent includes the following matters:

- > Recording and maintaining the list of creditors,
- > Dealing with employee related matters,
- > Recording creditor claims
- > Reporting to creditors,
- > Meetings of creditors,
- > Dealing with creditor queries,
- > Reviewing and evaluating creditor claims,
- > Payment of claims

### 3 Time and charge-out summary

For the period of the report 23 February 2011 to 15 August 2011, a total of 31 90 hours have been spent at an average charge out rate of £272 06 bringing the total cost to date to £48,175 00

The table below shows details of the time costs charged (exc VAT) in the current period (23 February 2011 to 15 August 2011)

SUDDEN IMPACT LIMITED- IN ADMINISTRATION							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Director	Manager	Other Senior professionals	Assistants and support staff	Total hours		
<b>Administration and Planning</b>							
Administration and Planning	4 00	9 00	0 10		13 10	3,881 00	296 25
Statutory Reporting	1 50	3 00			4 50	1,350 00	300 00
<b>Creditors</b>							
Creditors		4 90	0 40		5 30	1,358 00	256 22
Distributions		0 50			0 50	130 00	260 00
<b>Employees</b>							
<b>Realisation of Assets</b>							
Realisation of assets							
Motor Vehicles		0 50			0 50	130 00	260 00
Book debt collection		3 00			3 00	780 00	260 00
<b>Cashiering</b>			5 00		5 00	1,050 00	210 00
<b>Total hours</b>	5 50	20 90	5 50		31 90		
<b>Total costs</b>	2,090 00	5,434 00	1,155 00			8,679 00	

The following table shows all fees charged, from appointment to the end of the current period

ADMINISTRATORS TIME COSTS FOR THE PERIOD 16 AUGUST 2010 TO 15 AUGUST 2011							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Director	Manager	Other Senior professionals	Assistants and support staff	Total hours		
<b>Administration and Planning</b>							
Administration and Planning	15 50	42 10	13 20		70 80	19,004 00	268 41
Statutory Reporting	1 50	14 50			16 00	4,190 00	261 87
<b>Investigations</b>							
Investigations		1 00	12 90		13 90	2,936 00	211 22
Directors' Investigations							
CDDA Reporting	1 00				1 00	380 00	380 00
<b>Trading</b>	5 70	4 50			10 20	3,268 50	320 44
<b>Creditors</b>							
Creditors	2 00	10 50	3 10		15 60	4,040 50	259 00
Distributions		0 50			0 50	130 00	260 00
Employees		2 00	1 50		3 50	790 00	225 71
<b>Realisation of Assets</b>							
Realisation of assets		2 50	0 20		2 70	652 50	241 66
Motor Vehicles		15 90	5 70		21 60	5,065 50	234 51
Book debt collection	5 00	10 40			15 40	4,511 00	292 92
<b>Cashiering</b>			15 70		15 70	3,207 00	204 26
<b>Total hours</b>	30 70	103 90	52 30		186 90		
<b>Total costs</b>	11,666 00	25,871 00	10,638 00			48,175 00	

From appointment to the end of the current period the total time costs incurred are £48,175, 186 90 hours spent bringing the average charge out rate to £257 75

Since the end of the current period on 15 August 2011, further time costs have been incurred of £910, primarily in relation to report and requesting an extension to the administration period. Such costs will be fully reported in my next progress report

#### 4 Disbursements

Disbursements incurred during the period of this report and cumulatively, and those reimbursed in the period and cumulatively to end of current period, are detailed below

Disbursements	This period		Cumulatively	
	Incurred £	Paid £	Incurred £	Paid £
<i>Category 1</i>				
Statutory advertising			75 60	75 60
Bond premium			528 00	528 00
Postage & Copying	138 69	138 69	138 69	138 69
Insurance			11,033 40	11,033 40
Redirection of Post			25 96	25 96
<b>Total</b>	<b>138.69</b>	<b>138.69</b>	<b>11,801.65</b>	<b>11,801.65</b>
<i>Category 2</i>				
Copying			86 25	0
Postage			71 42	0
Mileage & Parking			58 38	0
<b>Total</b>			<b>216.05</b>	<b>0</b>

The above costs exclude VAT

#### 5 Professional advisors and expenses

The Joint Administrators have incurred administration expenses in connection with the instruction of the parties shown below. Expenses incurred during the period of this report and cumulatively, and those paid in the period and cumulatively to end of current period are detailed



Name & Activity	This period		Cumulatively	
	Incurred £	Paid £	Incurred £	Paid £
Matthew Arnold Baldwin			750 00	750 00
Blake Laphorn			260 00	260 00
<b>Total</b>			<b>1,010.00</b>	<b>1,010.00</b>

The above costs exclude VAT