

# 2.24B

The Insolvency Act 1986

## Administrator's progress report

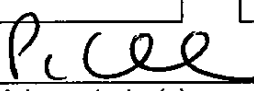
|  |                                   |
|--|-----------------------------------|
| Name of Company<br>Sudden Impact Limited                                 | Company number<br>03828447        |
| In the<br>High Court of Justice, Companies Court<br>(full name of court) | Court case number<br>6447 of 2010 |

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

I/We (a)  
Paul W Ellison  
RSM Tenon  
First Floor, Davidson House  
Forbury Square  
Reading  
Berkshire  
RG1 3EU

Gareth W Roberts  
RSM Tenon  
First Floor, Davidson House  
Forbury Square  
Reading  
Berkshire  
RG1 3EU

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

|                 |   |                            |
|-----------------|---|----------------------------|
| (b) Insert date | From<br>(b) 16 August 2010  | To<br>(b) 15 February 2011 |
|                 | Signed<br><br>Joint / Administrator(s) |                            |
|                 | Dated<br>23.2.11.   |                            |

### 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 The contact information that you give will be put

Paul Ellison  
RSM Tenon  
First Floor, Davidson House  
Forbury Square  
Reading  
RG1 3EU  
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



**Sudden Impact Limited (In Administration)**

**Joint Administrators' Progress report pursuant to Rule 2.47 of the Insolvency Rules 1986**

**23 FEBRUARY 2011**

**Section**

- 1 Introduction
- 2 Progress of the Administration
- 3 Additional Information
- 4 Administrators' fees and expenses

**Appendices**

- 1 Administrators' proposals
- 2 Receipts and payments account
- 3 Form 2 24B – Notice of report
- 4 Time cost analysis/ Fee guides

## **1. Introduction**

**Company Name** Sudden Impact Limited

**Trading Names** Sudden Impact

**High Court of Justice Number:** 6447 of 2010

**Company Number :** 03828447

**Company Registered Office :** First Floor, Davidson House, Forbury Square, Reading RG1 3EU

**Trading Address :** Sivers House, White Hart Road, Slough, Berks SL1 2SF

### **Joint Administrators**

Paul W Ellison and Gareth W Roberts of RSM Tenon Recovery, First Floor, Davidson House, Forbury Square, Reading RG1 3EU, licensed by the Institute of Chartered Accountants in England and Wales and the Insolvency Practitioners Association respectively

**Date of Appointment** – 16 August 2010

**Appointed by** – the director, Gareth Smith

### **Statement under paragraph 100 of Schedule B1 of the Act**

“Any of the functions to be performed or powers exercisable by the Administrators may be carried/exercised by any one of them acting alone or by any or all of them acting severally”

The initial report to creditors dated 30 September 2010 detailed the administrators' proposals. A copy of these proposals are attached at Appendix 1

## **2. Progress of the Administration**

### **Asset Realisations**

The Administrators receipts and payments' account for the period of the administration is attached as Appendix 2

#### Motor Vehicles

The gross sum of £3,200 was received for the equitable interest in several vehicles that the company was in the process of purchasing via hire purchase agreements

#### Finalised Claims

To date the gross sum of £127,550 70 has been received in respect of outstanding insurance claims that have been finalised

#### Refunds

A small refund of £100 has been received in respect of a legal fee deposit previously paid by the company before it entered into administration

A refund of £6,849 36 has been received from the company's former insurers in respect of pre appointment insurance premiums

### **Outstanding Issues**

In accordance with the directors estimated statement of affairs a further £58,715 is anticipated to be received in respect of outstanding insurance claims

The director's assistance in dealing with these claims is still required in order to secure payment under these claims

### **Exit routes from Administration**

Under the Enterprise Act 2002, all Administrations automatically come to an end twelve months following appointment unless an extension is granted by the Court or following the consent of the creditors

Should funds become available to pay a dividend to the unsecured creditors, the company will exit administration by way of Liquidation or Company Voluntary Arrangement and the liquidators/ supervisors will be the same as the Joint Administrators. The preferred exit route will be dependent on the prevailing circumstances

In the event of no dividend being available then the Joint Administrator will apply to the Registrar of Companies to cease to act and three months following that date the company will be dissolved

I believe in this instance the company will exit administration via dissolution due to the outstanding sums due to the chargeholder

## **3. Additional Information**

### **Dividend Prospects**

#### Secured Creditor

Barclays Bank Plc have a fixed and floating charge over the company assets

To date they have been repaid £25,000 from the realisations made in the administration

The bank also hold a personal guarantee from the director Gareth Smith in respect of any shortfall on the company's borrowing with them

#### Preferential Creditors

I am currently awaiting the final claim from the Redundancy Payments Service for wage arrears and holiday pay payments

I anticipate that preferential claims will total approximately £6,202

#### Unsecured Creditors

As the company had not granted a floating charge after 15 September 2003 (the implementation date of the Enterprise Act 2002) there is no prescribed part available for unsecured creditors

Unsecured creditor claims currently total £370,319.40. This figure is likely to increase as I anticipate further claims from lease companies following the early termination of various agreements

#### **Statement under paragraph 100 of Schedule B1 of the Act**

"Any of the functions to be performed or powers exercisable by the Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting severally"

#### **EC Regulations**

As stated in the Administration Order, Companies Council Regulation (EU) No 1346/2000 applies and these proceedings are main proceedings as defined in Article 3(1) of that Regulation

#### **Director's Conduct**

As part of their statutory duties the Joint Administrators are required to consider the conduct of the Directors and any person considered to be a shadow director of the company and submit a confidential report to the Department of Trade and Industry. This report has duly been submitted to the Department of Trade and Industry

#### **Notice of Report**

Form 2 24B formal notice of the progress report is attached at Appendix 3

#### **4. Administrator's Fees and Expenses**

##### **Overview of case and description of work carried out**

Following my appointment a number of hours were spent by myself and staff in visiting the site, establishing the encumbered asset position, setting up the necessary trading controls and establishing the level of outstanding insurance claims

In addition a large proportion of time has been spent in dealing with the location and collection of vehicles subject to lease/contract hire agreements

As with any appointment a number of hours have been spent on statutory and administrative duties inherent with any appointment and a requirement by my licensing body, this includes investigations into the conduct of the director

I anticipate that in forthcoming months further time will be incurred in the areas of calculating and agreeing preferential claims, together with additional time dealing with lease company queries and the ongoing insurance claims

##### **Administrator's Fees**

In accordance with the recommendations of Statement of Insolvency Practice 9 (SIP 9) a schedule detailing the Joint Administrators time costs is attached as Appendix 4, together with a guide to Administrators' fees and charge out rates My time costs to date amount to £39,496 00

Following the approval of my proposals dated 30 September 2010 and the approval of the secured creditor, Barclays Bank Plc, my remuneration has been calculated on a time cost basis In accordance with the recommendations of Statement of Insolvency Practice 9 (SIP 9) a schedule detailing the Joint Administrators time costs is attached as Appendix 4, together with a guide to administrators' fees and charge out rates My time costs to date amount to £39,496 00 and I have drawn the sum of £22,000

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.rsmtenton.com/creditorguides> Alternatively a copy is available free of charge upon request from the address above

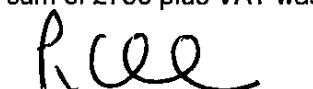
##### **Administrator's Disbursements**

The Joint Administrators are in accordance with SIP 9 entitled to draw disbursements on two bases, namely Category one and two Full details of these charges are set out in Appendix 4 To date our disbursements total £845 61 and the category two disbursements totalling £216 05 are detailed in Appendix 4 in accordance with SIP 9

##### **Other Professional Costs**

The Joint Administrators instructed Blake Lapthorn to assist in the filing of the necessary appointment documents at the High Court A fee of £260 plus VAT was paid for this

Solicitors, Matthew Arnold Baldwin were instructed to review the validity of the debenture holder's security The sum of £750 plus VAT was paid in this regard



**Paul W Ellison**  
**Joint Administrator**

The Joint Administrators act as agents of the company and without personal liability The affairs, business and property of the company are being managed by Paul W Ellison and Gareth W Roberts who were appointed Joint Administrators on 16 August 2010

**SUDDEN IMPACT LIMITED  
(IN ADMINISTRATION)**

In accordance with Paragraph 49 of Schedule B1 of the Act, Paul W Ellison, the Joint Administrator of the company, makes the following proposals to the creditors of the company for achieving the purpose of the Administration, which came into effect on 16 August 2010

The Joint Administrator proposes that

- (a) he continues to manage the affairs and property of the company in order to achieve the purpose of the Administration, with the intention of achieving a better result for creditors as a whole than would be likely if the company was wound up,
- (b) he instructs professional agents of his choice to proceed with the disposal of all the remaining assets,
- (c) the creditors should consider establishing, and if thought fit, establish a Creditors' Committee to exercise the functions conferred on it by or under the Act,
- (d) he consults with the Creditors' Committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation and development of these proposals and where he considers it expedient, obtains the sanction of that Committee on behalf of the creditors of the company (and without further reference to them) to any proposed action on the part of the Administrators,
- (e) in addition, he does all such things and generally exercises all his powers as Administrator as he in his discretion considers desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the company or maximise realisations of those assets, or for any other purpose incidental to these proposals,
- (f) the remuneration of the Administrators' is to be fixed by reference to the time properly given by the Insolvency Practitioners (acting as Joint Administrators') and their staff in attending to matters arising in the Administration. A summary of the Joint Administrators time costs to date, together with the charge out rates and disbursement rates are attached as Appendix 4. The administrator fees incurred to date as shown at Appendix 4 be approved for payment by the creditors or a committee if one is appointed. The administrators will also be able to recover category 2 disbursements, the charges for which are also attached at Appendix 4
- (g) The administrators' future fees and expenses be approved in relation to the company by the creditors committee should one be appointed but failing that the Administrators' be authorised by the creditors to draw remuneration and expenses based on their time costs on a monthly basis
- (h) on completion of the realisation of assets and distribution of funds to creditors, and as quickly and as efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administration. This may include dissolution of the Company, placing the company into Creditors Voluntary Liquidation ("CVL") or alternatively, seeking a Company Arrangement ("CVA"), depending on which option will result in a better realisation for creditors. If the Company were to be placed into either CVL or CVA the Administrators propose to be appointed Joint Liquidators or Joint Supervisors as appropriate. Please note that creditors may nominate a different person as the proposed Liquidator or Supervisor
- (i) the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against the Company unless the Administrators conclude, in their reasonable opinion, that a Company will have no assets available for distribution
- (j) the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and in relation to distributions to unsecured creditors when the Court gives permission
- (k) The Administrators are discharged from all liabilities in respect of any actions of theirs as administrator following vacation of office

**Sudden Impact Limited  
(In Administration)**

**JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

|                                   | Statement<br>of affairs<br>£ | From 30/09/2010<br>To 22/02/2011<br>£ | From 16/08/2010<br>To 22/02/2011<br>£ |
|-----------------------------------|------------------------------|---------------------------------------|---------------------------------------|
| <b>RECEIPTS</b>                   |                              |                                       |                                       |
| Goodwill                          | NIL                          | 0 00                                  | 0 00                                  |
| Motor Vehicles                    | 3,200 00                     | 0 00                                  | 2,723 40                              |
| Finalised Claims                  | 186,265 00                   | 43,047 60                             | 108,544 89                            |
| Legal Fee Refund                  |                              | 100 00                                | 100 00                                |
| Insurance Refund                  |                              | 6,849 36                              | 6,849 36                              |
| Interest Net of Tax               |                              | 52 83                                 | 53 17                                 |
| Vat Payable                       |                              | 8,707 00                              | 19,482 41                             |
|                                   |                              | 58,756 79                             | 137,753 23                            |
| <b>PAYMENTS</b>                   |                              |                                       |                                       |
| Wages                             |                              | 7,500 00                              | 20,500 00                             |
| Petty Cash                        |                              | 0 00                                  | 1,000 00                              |
| Telephone                         |                              | 684 84                                | 756 61                                |
| Hire of Equipment                 |                              | 0 00                                  | 4,130 00                              |
| Barclays Bank plc                 |                              | 25,000 00                             | 25,000 00                             |
| Specific Bond                     |                              | 528 00                                | 528 00                                |
| Office Holders Fees               |                              | 22,000 00                             | 22,000 00                             |
| Legal Advice And Costs            |                              | 1,010 00                              | 1,010 00                              |
| Re-Direction of Mail              |                              | 0 00                                  | 25 96                                 |
| Statutory Advertising             |                              | 0 00                                  | 75 60                                 |
| Insurance of Assets               |                              | 11,033 40                             | 11,033 40                             |
| Vat Receivable                    |                              | 4,498 53                              | 5,246 43                              |
| Vat Control Account               |                              | 15,552 64                             | 15,552 64                             |
|                                   |                              | 87,807 41                             | 106,858 64                            |
| <b>BALANCE - 22 February 2011</b> |                              |                                       | <b>30,894.59</b>                      |



**SUDDEN IMPACT LIMITED- IN ADMINISTRATION**

**ADMINISTRATORS TIME COSTS FOR THE PERIOD 16 AUGUST 2010 TO 22 FEBRUARY 2011**

**SIP 9 TIME SUMMARY**

| 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               | 11 50    | 33 10     | 13 10                      |                              | 57 70       | 15,123 00    | 262 09                |
| Statutory Reporting                       |          | 11 50     |                            |                              | 11 50       | 2,840 00     | 246 95                |
| <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     | 5 60      | 2 70                       |                              | 10 30       | 2,682 50     | 260 43                |
| Employees                                 |          | 2 00      | 1 50                       |                              | 3 50        | 790 00       | 225 71                |
| Retention of Title/<br>Third party assets |          |           |                            |                              |             |              |                       |
| <b>Realisation of Assets</b>              |          |           |                            |                              |             |              |                       |
| Realisation of assets                     |          | 2 50      | 0 20                       |                              | 2 70        | 652 50       | 241 66                |
| Motor Vehicles                            |          | 15 40     | 5 70                       |                              | 21 10       | 4,935 50     | 233 90                |
| Book debt collection                      | 5 00     | 7 40      |                            |                              | 12 40       | 3,731 00     | 300 88                |
| <b>Cashiering</b>                         |          |           | 10 70                      |                              | 10 70       | 2,157 00     | 201 58                |
| <b>Total hours</b>                        | 25 20    | 83 00     | 46 80                      |                              | 155 00      |              |                       |
| <b>Total costs</b>                        | 9,576 00 | 20,437 00 | 9,483 00                   |                              |             | 39,496 00    |                       |

### **Joint Administrators time cost analysis:-**

The various tasks relating to the administration have been undertaken by appropriately experienced staff to ensure matters were properly dealt with and at least cost to the administration of the estate. The analysis below seeks to give some indication of the various tasks undertaken by the administrators and their staff but is not intended to be, nor should be viewed as, an exhaustive list.

#### **Administration and planning**

Time costs in this section relate to the maintenance of professional standards, the handling of receipts and payments during the administration, general case compliance, and the day to day running of the administration.

#### **Statutory Reporting**

These time costs relate to the necessary reporting and notification requirements stipulated by statute, including notifying and reporting on the meeting of the company's creditors under Paragraph 51 of Schedule B1 of the Insolvency Act 1986 "the Act" to both members and creditors, the preparation and provision of the progress report to members and creditors required by Schedule B1 of the Act and on the preparation and provision of the final progress report also required by Schedule B1 of the Act.

#### **Investigations**

Investigation in relation to all matters relating to the Administration including but not limited to the following,

- 1) Preferences (s239 of the Insolvency Act 1986)
- 2) Transactions at Undervalue (s238 of the Insolvency Act 1986)
- 3) Other Antecedent Transactions
- 4) Terrorism Act 2000
- 5) Money Laundering Regulations 2007
- 6) Proceeds of Crime Act 2002

#### **Directors' Investigations**

Work carried out in relation to the review of the directors' conduct on any matters raised by creditors generally.

#### **CDDA Reporting**

These time costs relate to investigations required under the provisions of the Company Directors Disqualification Act 1986, namely the investigation into the affairs of the Company and the conduct of its current and former directors which culminates in the preparation and submission of a report to the Department of Trade & Industry.

#### **Trading**

These time costs relate to the Administrators' trading period, which was necessary to maintain the value of business assets whilst attempting to affect a sale as a going concern. It includes attendance on site, liaison with the company's landlord, day to day management decisions, arranging for sufficient cash funding to allow continuance of trade, correspondence with various creditors, contacting suppliers regarding setting up accounts, liaison with the employees and statutory authorities.

#### **Creditors**

Time costs incurred in relation to dealing with the queries of the company's creditors in relation to all aspects of the Administration.

## **Employees**

Time expended in dealing with employees' claims and queries, assistance in completing the forms necessary for the employees to submit a claim to the Redundancy Payments Office

## **Retention of Title/ Third party assets**

Time spent in dealing with retention of title claims including site visits and adjudication of the validity of claim having regard to the supporting documentation submitted by the claimant

## **Realisation of assets**

These time costs have been incurred both protecting and realising the company's assets. This includes the realisation of the chattel assets, negotiations with potential purchasers and discussion of the realisation strategy with the duly appointed agents

## **Book debt Collection**

Actions taken in respect of the debt collection include a thorough review of the company's records in order to retrieve a considerable number of files which have been passed to our debt collection department for further work

## **Other**

Time expended on other administrative matters necessary to discharge the Joint Administrators functions not categorised above, such as maintenance of files, non specific correspondence, photocopying and the maintenance of computerised systems

## **Category 2 disbursements**

|   |        |
|---|--------|
| Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest |        |
| Type and purpose  | £      |
| Postage   | 71 42  |
| Photocopying  | 86 25  |
| Travel & Parking  | 58 38  |
| Total   | 216 05 |

## **RSM TENON RECOVERY**

### **CHARGING AND DISBURSEMENT POLICIES AND RATES**

#### **1. Hourly rates with effect from 1 January 2010**

|                           |           |
|---------------------------|-----------|
|                           | £         |
| Director                  | 380       |
| Manager                   | 245 - 265 |
| Other senior professional | 200       |
| Support                   | 70        |

#### **2. Charging Policies**

Time is charged and recorded to the case in units of not less than 6 minutes

Time spent by all levels of staff are charged to the case

Chargeout rates are revised on an annual basis

#### **3. Category One Disbursements**

Category one disbursements are those disbursements which can be specifically identified as relating to the administration of the case. They include but are not limited to the following -

Statutory advertising  
Postage  
Legal and professional fees  
Specific penalty bond  
Insurance  
External room hire

#### **4. Category Two Disbursements**

Category two disbursements are expenses of an incidental nature which are directly incurred on the case and paid to RSM Tenon Recovery. The rates of calculation are reviewed annually and are currently as follows -

|                   |                 |
|-------------------|-----------------|
| Mileage           | 40p per mile    |
| Photocopying      | 5p per sheet    |
| Storage           | £50 per box     |
| Meeting room hire | £50 per meeting |

## **RSM TENON RECOVERY**

### **CHARGING AND DISBURSEMENT POLICIES AND RATES**

#### **1. Hourly rates with effect from 1 January 2011**

|                           |           |
|---------------------------|-----------|
|                           | £         |
| Director                  | 380       |
| Manager                   | 260 - 280 |
| Other senior professional | 210       |
| Support                   | 80        |

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|                   |                 |
|-------------------|-----------------|
| Mileage           | 40p per mile    |
| Photocopying      | 5p per sheet    |
| Storage           | £50 per box     |
| Meeting room hire | £50 per meeting |