

The Insolvency Act 1986

Administrator's progress report

Form 2.24B(CH)

Name of Company Sudscape Limited	Company number 07534170
In the High Court of Justice, Chancery Division, Manchester District Registry (full name of court)	Court case number 3015 of 2014

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

We (a) Stephen Gerard Clancy and Steven Muncaster of Duff & Phelps Ltd , The Chancery, 58
Spring Gardens, Manchester, M2 1EW

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

from

to

(b) Insert dates

(b) 22 August 2014

(b) 21 February 2015

Signed

Joint Administrator

Dated

20 MARCH 2015

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

Duff & Phelps Ltd
The Chancery
58 Spring Gardens
Manchester, M2 1EW

Tel +44 (0) 161 827 9000

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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COMPANIES HOUSE

Progress Report to Creditors

19 March 2015

Sudscape Limited (In Administration)

*Joint Administrators' Progress Report to Creditors
for the period from 22 August 2014 to 21 February 2015
pursuant to Rule 2 47(1) of the Insolvency Rules 1986 (as amended)*

**Duff & Phelps Ltd.
The Chancery
58 Spring Gardens
Manchester
M2 1EW**

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents	JPS Chartered Surveyors, independent agents who were instructed to value and sell the assets of the Company
the Appointment Date	22 August 2014, being the date of appointment of the Joint Administrators
the Bank	Lloyds Bank Plc, with whom the Company banked
the Board	The Board of Directors and Shareholders of the Company
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Company	Sudscape Limited (In Administration) (Company Number 07534170)
CVL	Creditors' Voluntary Liquidation
DBIS	The Department for Business Innovation and Skills
the Directors	Mr Hugh Frend and Mr Norman Kerfoot, the directors of the Company
Duff & Phelps	Duff & Phelps Ltd
EC Regulation	EC Regulation on Insolvency Proceedings 2000
HMRC	HM Revenue and Customs
the Joint Administrators	Stephen Clancy and Steven Muncaster of Duff & Phelps Ltd The Chancery, 58 Spring Gardens, Manchester, M2 1EW
NOIA	Notice of Intention to Appoint an Administrator
the Notice	Notice to move from Administration to Dissolution – Form 2 35B
Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
the Purchaser	Eden Paving Limited, the purchaser of the business and certain assets of the Company
the Premises	Leasehold premises located at Paisley House, Hints Road, Mile Oak, Tamworth, Staffordshire, B78 3PQ
the Proposals	The Joint Administrators Report to Creditors and Proposals issued

	on 11 September 2014
the Reporting Period	22 August 2014 to 21 February 2015
RPS	Redundancy Payments Service
the Rules	The Insolvency Rules 1986 (as amended)
the Shareholders	Mr Hugh Friend, Mr Norman Kerfoot and Mr Wayne Langford being the Shareholders of the Company
the Solicitors	Turner Parkinson LLP, the solicitors instructed to assist with the Administration
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SIP 13	Statement of Insolvency Practice 13, regarding the acquisition of assets of insolvent companies by Directors
SIP 16	Statement of Insolvency Practice 16, which includes a requirement for disclosure of information with respect to a 'Pre-Packaged' sale of business and/or assets of the Company
SOA	Statement of Affairs, documentation to be supplied by the Directors outlining the Company's financial position as at the Appointment Date
Technologies	Sudscape Technologies Limited, the patent owner of the Company's product
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

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Names of Joint Administrators:	Stephen Gerard Clancy (IP Number 8950) Steven Muncaster (IP Number 9446)
Date of appointment.	22 August 2014
Date of report:	19 March 2015
Appointed by:	The Directors Mr Hugh Alexander Frend Mr Richard Norman Kerfoot
Court reference.	High Court of Justice, Chancery Division, Manchester District Registry No 3015 of 2014

1 Introduction

- 1 1 The Joint Administrators were appointed on the 22 August 2014 by the Directors of the Company pursuant to Paragraph 22 of Schedule B1 to the Act
- 1 2 In accordance with Paragraph 100(2) of Schedule B1 to the Act the functions of the Joint Administrators are being exercised by any of the Joint Administrators
- 1 3 The purpose of this report is to provide creditors with details of the progress of the Administration in the Reporting Period, in accordance with Rule 2 47(1) of the Rules
- 1 4 This report should be read in conjunction with the Proposals
- 1 5 Statutory information on the Company is attached at Appendix 1

2. Joint Administrators' Report and Statement of Proposals

- 2 1 In accordance with Paragraph 51 of Schedule B1 to the Act, a creditors' meeting was held at The Chancery, 58 Spring Gardens, Manchester, M2 1EW on 6 October 2014. The Proposals were approved at that meeting
- 2 2 As advised in the Proposals, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives
- 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
- 2 3 Given that the Company was trading at a loss at the point of the Administration taking effect and the lack of funds available to facilitate a short period of Administrator trading, it was unlikely the first objective could be achieved
- 2 4 The Joint Administrators are pursuing the second objective and believe that following the conclusion of the book debt collection exercise, a small distribution will be payable to the non-preferential creditors of the Company
- 2 5 The quantum of the distribution is not yet finalised but based on the estimated claims received to date, the dividend is likely to be one pence in the pound

3 Progress of the Administration

- 3 1 The manner in which the affairs and business of the Company have been managed and financed since the Appointment Date are set out below

Sale of Assets

- 3 2 In August 2014, the Directors concluded that the Company was insolvent and could not continue to trade. However, following a review of the Company's financial position by Duff & Phelps, it was considered that there was potential for a sale of the Company's business and assets if a sale could be achieved quickly. Specifically the goodwill attached to the business name generated through the reputation in the services and product provided by the Company to its customers.
- 3 3 On 14 August 2014 a NOIA was filed by the Directors in the High Court in order to protect the value held in the Company's business and assets.
- 3 4 Immediately after the filing of the NOIA, Duff & Phelps began a marketing exercise to find a purchaser for the Company's business and assets.
- 3 5 The marketing exercise resulted in 5 interested parties making contact with Duff & Phelps who showed interest in the business. Additional financial and operational information was provided to these parties to allow them to undertake due diligence and if desired, make an offer for the Company's business and assets.
- 3 6 In addition to the interest received through the marketing exercise, the Joint Administrators were notified that the former management of the Company were interested in purchasing the business and certain assets of the Company.
- 3 7 The former management of the Company tendered an offer for the purchase of the business and certain assets. In addition to this a second offer was received from an external party.
- 3 8 The Joint Administrators advised the external party that their offer was the lower of the two offers received and suggested that the offer should be revised. The interested party did not revise their offer.
- 3 9 Following the Agent's recommendation to accept the higher offer, the Joint Administrators were appointed on the Appointment Date and shortly after a sale was completed with the Purchaser.
- 3 10 In accordance with SIP13, a summary of the transaction with the Purchaser is detailed below.

The Purchaser	Eden Paving Limited
Date of Transaction	22 August 2014
Associated Parties	Eden Paving Limited is connected to the Company its Directors and Shareholders also being Directors and Shareholders of the Company, whose details are below
Common Directors	Mr Hugh Frend Mr Norman Kerfoot
Common Shareholders	Mr Hugh Frend Mr Norman Kerfoot

- 3 11 The breakdown of the sale consideration is summarised overleaf

Asset	Consideration	
Goodwill	£	1,000
Business Information	£	1
Contracts	£	1
Stock	£	499
Intellectual Property	£	1
Plant and Machinery	£	2,498
Total	£	4,000

- 3 12 The full consideration of £4,000 was paid on completion directly to the Solicitors. These funds were then transferred to the Administration estate.

- 3 13 This sale is now considered completed and no further realisations are expected from this source.

Book Debts

- 3 14 At the Appointment Date, the Company's book debt ledger indicated an outstanding balance of c£49,128.

- 3 15 In the Reporting Period, collections made total £27,960, amounting to 56.9% of the Company's ledger. There are also potential payments of a further £12,165. However, there are disputes with each of the customers who owed these debts to the Company.

- 3 16 The difference of ledger at the Appointment Date of £9,003 relates to bad debts which have been deemed uncollectable by the Joint Administrators; therefore, this balance has been written off.

- 3 17 The Joint Administrators will continue to liaise with these debtors and if required instruct legal proceedings in order to obtain payment.

Cash at Bank

- 3 18 The sum of £9,479 has been received from the Bank in Reporting Period.

- 3 19 There is no further realisation to be made from this source.

VAT Refund

- 3 20 A VAT refund of £2,271 has been paid to the Administration estate from HMRC in respect of a pre-appointment VAT return.

- 3 21 There is no further realisation to be made from this source.

Other Matters

- 3 22 During the course of the Administration, the Joint Administrators have been involved in dealing with a number of retention of title creditor claims, the Joint Administrators have had to liaise with the Purchaser in respect of these claims to make arrangements for payments to suppliers or return goods to the supplier

4. Investigations

- 4 1 The Joint Administrators have complied with their statutory obligation to file a report with DBIS regarding the conduct of all directors of the Company that served in the three years prior to the Joint Administrators' appointment. The content of this report is confidential
- 4 2 On review of the financial information available and discussions with the officers of the Company, there doesn't appear to have been any material breach of the Directors' duties towards the Company or its creditors. Therefore, the Joint Administrators have no reason to believe that further investigation would warrant any additional return to the Company's creditors
- 4 3 As a result of the above, there are no outstanding lines of enquiry

5 Dividend Prospects / Prescribed Part

Secured Creditors

- 5 1 There are no secured creditors therefore, there is no secured distribution to be made from the Company

Preferential Creditors

- 5 2 All of the Company's employees were transferred to the Purchaser under TUPE on the Appointment Date
- 5 3 As such, no preferential claims have been received in the Administration from employee related claims
- 5 4 There are no other claims in the Administration which class as preferential

Prescribed Part

- 5 5 There are no floating charges registered against the Company therefore, the Prescribed Part provisions will not apply

Non-Preferential Creditors

- 5 6 According to the SOA, non-preferential creditors total £456,907 and claims received to date total £352,365
- 5 7 It is estimated that a small distribution one pence in the pound will be paid to non-preferential creditors of the Company

6. Joint Administrators' Receipts and Payments Account

6 1 A detailed receipts and payments account, for the Reporting Period is shown in Appendix 2

6 2 As at 21 February 2014 there was a cash balance of £10,763

7. Pre-Administration Costs

7 1 On 6 October 2014 the following amounts in respect of Pre-Administration costs (plus VAT) were approved by the creditors, to be paid out of the assets of the Company

Name of Recipient	Brief Description of Services Provided	Total Amount Approved
Duff & Phelps	Marketing the business for sale, preparing for the sale to the Purchaser and assisting in placing the Company into Administration	£13,665 plus VAT and disbursements of £76 50
Turner Parkinson LLP	Drafting documents for the sale of the business and assets and assisting with preparing and filing of documents to place the Company into Administration	£2,000 plus VAT and disbursements of £50
JPS Chartered Surveys	Site visit to review the Company's business and assets and providing recommendation for the sale of the business and assets to the Purchaser	£1,500 plus VAT and disbursements of £107
Jane Foy & Co	Assisting with preparing and providing financial information required by the Joint Administrators	£2,000 plus VAT

7 2 The pre-Administration fees and disbursements of Duff & Phelps shown above have been paid in full in the Reporting Period

7 3 Of the costs shown above, in the Reporting Period the Solicitors have been paid £1,000 plus VAT and disbursements of £50 and the Agents have been paid £1,000 plus VAT and disbursements of £107

7 4 The pre-Administration fees of Jane Foy & Co shown above have been paid in full in the Reporting Period

7 5 There are no further fees to be drawn in respect of the pre-Administration costs

8. Joint Administrators' Costs and Expenses

8 1 The Joint Administrators' basis of remuneration was fixed on the basis of time properly charged plus Category 2 Disbursements at the creditors meeting held on 6 October 2014

8 2 The time costs incurred in the Reporting Period by Duff & Phelps are as analysed at Appendix 3

8 3 A total of £10,000 has been paid to the Joint Administrators in the Reporting Period in respect of the Joint Administrators' post appointment remuneration. Details of payments are shown on the receipts and payments account at Appendix 2

8 4 The Joint Administrators' disbursements are also detailed at Appendix 3

- 8 5 The Joint Administrators have incurred expenses in dealing with the Administration of the Company and these are detailed in Appendix 3
- 8 6 Information regarding the fees and disbursements of Administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides>. Should you require a copy, please contact this office.
- 8 7 In accordance with Rule 2.48A of the Rules, secured creditors and non-preferential creditors (with the concurrence of at least 5% in value of total non-preferential creditor claims) or with the permission of the Court, may make a request in writing for further information about the remuneration or expenses set out in this progress report. This should be done within 21 days receipt of this report, after which the Joint Administrators have 14 days to respond.
- 8 8 In addition to the above, any secured creditor, or any non-preferential creditor (with the support of at least 10% in value of the total non-preferential creditors) or with the permission of the court, may apply to the Court on the grounds that the remuneration or basis fixed for the Administrators' remuneration or the expenses incurred by the Joint Administrators are considered to be excessive. In accordance with Rule 2.109 of the Rules, this application must be made no later than eight weeks after receipt of the Progress Report, where the charging of the remuneration or the incurring of expenses in question occurs.
- 9 Conclusion and Ending the Administration**
- 9 1 An Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the creditors' consent.
- 9 2 As it is anticipated that the Company will make a distribution to non-preferential in a CVL. A Notice will be submitted to the Registrar of Companies pursuant to Paragraph 83 of Schedule B1 to the Act and once filed on the Companies House register, the Administration will end and the CVL will have commenced.
- 9 3 Following registration of the Notice by the Registrar of Companies, the Joint Administrators' appointment will cease to have effect, and they will be discharged from liability under Paragraph 98 of Schedule B1 to the Act.
- 10 Next Report**
- 10 1 Generally the Joint Administrators will provide a Progress Report within one month of the end of each six months of the Administration or earlier if an extension to the period of the Administration is required.
- 10 2 On present information, as it is anticipated that the Administration will conclude within the next six months therefore, it is anticipated that the next report to creditors will be a final report.

- 10.3 If you have any queries or require any further assistance, please do not hesitate to contact my colleague James Gillibrand of this office

Yours faithfully


Stephen Clancy
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators Stephen Gerard Clancy and Steven Muncaster who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

Appendix 1

Statutory Information

Statutory Information

Date of Incorporation 17 February 2011

Registered Number 07534170

Company Director(s) Mr Hugh Alexander Frend
Mr Norman Richard George Kerfoot

Shareholders Mr Hugh Frend – 200 £1 ordinary shares
Mr Norman Kerfoot – 200 £1 ordinary shares
Mr Wayne Langford – 200 £1 ordinary shares

Trading Address Paisley House
Hints Road
Mile Oak
Tamworth
Staffordshire
B78 3PQ

Registered Office **Current:**
The Chancery
58 Spring Gardens
Manchester
M2 1EW

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Former:
Paisley House
Hints Road
Mile Oak
Tamworth
Staffordshire
B78 3PQ

Appendix 2

Joint Administrators' Receipts and Payments Account

**Sudscape Limited
(In Administration)**

**Summary of Receipts & Payments
22 August 2014 to 21 February 2015**

RECEIPTS	Total (£)
Business Information	1 00
Contracts	1 00
Goodwill	1,000 00
Intellectual Property	1.00
Plant & Machinery	2,498 00
Stock	499 00
Debtors	27,960 11
Pre appointment VAT refund	2,270 54
Cash at Bank	9,479 05
Bank Interest Gross	1 69
	<hr/>
	43,711.39
	<hr/>
PAYMENTS	
Pre-administration remuneration	13,665 25
Pre-administration disbursements	76.50
Joint administrators' remuneration	10,000 00
Joint administrators' disbursements	345 00
Debt collection legal fees	1,687 50
Accountants Fees	2,000 00
Agents/Valuers Fees	1,000 00
Agents/Valuers Disbursements	107 25
Legal Fees	1,000 00
Legal Disbursements	50 00
Land Registry search fees	11 00
Statutory Advertising	169 20
Bank Charges	8 75
VAT Receivable	2,827 95
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	32,948.40
Balance In Hand	10,762.99
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	43,711.39
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Appendix 3

Analysis of Time Charged and Expenses Incurred

53392 SUDSCAPE LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 22/08/2014 to 21/02/2015

ADP-Admin - Pre Appt

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
Administration and Planning								
Cashiering & accounting	0 00	0 00	0 10	0 20	0 00	0 30	79 00	263 33
Dealing with notice of intention to appoint	0 70	0 00	0 00	0 00	0 00	0 70	371 00	530 00
Dealings with Directors and Management	0 00	0 00	0 00	0 50	0 00	0 50	100 00	200 00
IPS set up & maintenance	0 00	0 00	0 00	5 50	0 00	5 50	1 100 00	200 00
Strategy planning & control	0 00	29 75	0 00	1 70	0 00	31 45	11 496 25	365 54
Creditors								
Communications with Creditors/Employees	0 00	0 00	0 00	1 30	0 00	1 30	260 00	200 00
Investigations								
Financial review and investigations (S238/239 etc)	0 00	0 00	0 00	2 00	0 00	2 00	230 00	115 00
Realisation of Assets								
Sale of business	0 00	2 00	0 00	2 00	0 00	4 00	1 150 00	287 50
Total Hours	0 70	31 75	0 10	13 20	0 00	45 75		323 20
Total Fees Claimed	371 00	11,906 25	32 00	2,477 00	0 00		14,786 25	

Category 2 Disbursements

53392 SUDSCAPE LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 22/08/2014 to 21/02/2015

ADM-Admin - Post Appt

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
Administration and Planning								
Case review and Case Diary management	4 40	2 50	0 00	7 20	0 00	14 10	4,888 25	332 50
Cashiering & accounting	0 00	0 00	2 10	6 45	0 00	8 55	1 799 25	210 44
Dealings with Directors and Management	1 20	0 00	0 00	3 10	0 00	4 30	1 188 00	276 28
IPS set up & maintenance	0 00	0 00	0 00	1 25	0 00	1 25	143 75	115 00
Statement of affairs	0 00	0 00	0 00	1 40	0 00	1 40	280 00	200 00
Statutory matters (Meetings & Reports & Notices)	0 00	28 75	1 20	42 85	0 00	72 80	18,698 75	256 85
Strategy planning & control	0 00	0 00	0 00	3 50	0 00	3 50	657 50	187 86
Tax Compliance/Planning	0 00	0 00	0 00	1 00	0 00	1 00	200 00	200 00
Creditors								
Communications with Creditors/Employees	0 00	2 25	0 00	3 60	0 00	5 85	1,517 00	259 32
Non Pref Creditors/Employee claims handling	0 00	1 25	0 00	1 40	0 00	2 65	629 75	237 64
Investigations								
CDDA & reports & Communication	0 00	0 00	0 00	8 60	0 00	8 60	1,720 00	200 00
Financial review and investigations (S238/239 etc)	1 20	0 00	0 00	11 50	0 00	12 70	1 958 50	154 21
Realisation of Assets								
Book debts	0 00	4 50	0 00	6 30	0 00	10 80	2,947 50	272 92
Pre-Appointment Tax Reclaims	0 00	0 00	0 00	0 60	0 00	0 60	120 00	200 00
Sale of business	0 00	0 00	0 00	2 80	0 00	2 80	560 00	200 00
Total Hours	6 80	39 25	3 30	101 55	0 00	150 90		245 91
Total Fees Claimed	3,604 00	14,718 75	1,014 00	17,771 50	0 00		37,108 25	

Category 2 Disbursements

Sudscape Limited (In Administration)
Joint Administrators' Disbursements

22 August 2014 to 21 February 2015

	Incurred	Amount
	(£)	Paid
		(£)
Category 1		
Bond premium	225 00	225 00
Mail redirection	120 00	120 00
Courier service	41 00	0 00
TOTAL	<u>£386.00</u>	<u>£345 00</u>

The above costs exclude VAT

There have been no Category 2 disbursements

Sudscape Limited (In Administration)
Joint Administrators' Expenses

Company	Activity	Fee Basis	Incurred (£)	Paid (£)
Professional Advisors				
Turner Parkinson LLP	Providing legal assistance in relation to collecting outstanding book debt	15% Commission on collection of book debt	1,687 50	1,687 50
Total			<u>£1,687.50</u>	<u>£1,687.50</u>

The above expenses have been incurred in the Reporting Period

The above costs exclude VAT

The Joint Administrators' choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and the basis of their fee