

The Insolvency Act 1986

Administrator's progress report**R2.38**

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company

USC Limited

Company number

SC115728

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

I/We (a)
Bryan A Jackson
PKF (UK) LLP
78 Carlton Place
Glasgow
G5 9TH
Brian Hamblin
PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

Anne Buchanan
PKF (UK) LLP
78 Carlton Place
Glasgow
G5 9TH
Ian Schofield
PKF (UK) LLP
Pannell House
6 Queen Street
Leeds
LS1 2TE

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

from

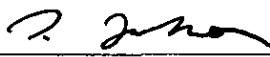
to

(b) Insert date(s)

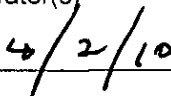
(b) 29 August, 2009

(b) 28 December, 2009

Signed


Joint / Administrator(s)

Dated


4/2/10**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.

Bryan A Jackson
PKF (UK) LLP
78 Carlton Place
Glasgow
G5 9TH

DX Number

0141 429 5900
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at:-
Companies House, 37 Castle Terrace, Edinburgh EH1 2EB
DX 235 Edinburgh / LP 4 Edinburgh-2



SCT

09/02/2010

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COMPANIES HOUSE

**USC Limited ["the Company"]
In Administration**

1. Statutory Information

Company Number	SC119370
Registered Office	78 Carlton Place, Glasgow, G5 9TH
Appointed	Bryan A Jackson and Anne Buchanan both of PKF (UK) LLP, 78 Carlton Place, Glasgow, G5 9TH, Brian Hamblin, PKF (UK) LLP, Farringdon Place, 20 Farringdon Road, London, EC1M 3AP and Ian Schofield, PKF (UK) LLP, Pannell House, 6 Queen Street, Leeds, LS1 2TW
Date of Appointment	29 December 2008
Court	Court of Session
Regulations	EC Regulations on Insolvency Proceedings 2000 apply to the Company and the main proceedings are in the United Kingdom
Powers	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 either or all of them acting severally

**USC Limited ["the Company"]
In Administration**

2. Summary of Progress and Estimated Financial Position as at 28 December 2009

This Report should be read in conjunction with previous Reports. This Report relates to transactions in the period since 29 August 2009 (date of the last Report).

1 ASSET REALISATIONS

- 1.1 Attached is a Receipts and Payments Account covering the periods 29 December 2008 (date of Administration) to 28 December 2009 and 29 August 2009 (date of last Report) to 28 December 2009.
- 1.2 The only assets still to be realised are a few remaining debts and continued efforts are being made to collect same.
- 1.3 Debts realised since the last report total £281.69.
- 1.4 The sum of £100,000 has been received in respect of pre appointment takings previously withheld by a credit card provider pending their risk assessment.
- 1.5 Further rates rebates of £5,900.54 have been received since the last report.
- 1.6 Interest received since the last report is £1,315.21.

2 DISTRIBUTIONS TO CREDITORS

- 2.1 Since the last Report a distribution of £916,000 has been paid to the Bank under their floating charge. It would appear, from the information available, that after the costs of the Administration there will be funds available to enable a further distribution to the floating charge creditor.
- 2.2 A dividend of 100p in the £ has been paid to preferential creditors.
- 2.3 As previously advised, there will be no funds available to the unsecured creditors.

3 OUTSTANDING MATTERS

- 3.1 A number of leases have still to be surrendered and the Joint Administrators are hopeful that this matter will be finalised in the very near future.
- 3.2 There are a few trading expenses still to be agreed and, again, the Joint Administrators are hopeful that these will be finalised in the very near future.
- 3.3 The Joint Administrators statutory duties relating to the submission of VAT and Corporation Tax Returns are ongoing.

**USC Limited ["the Company"]
In Administration**

2. Summary of Progress and Estimated Financial Position as at 28 December 2009

4 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

- 4.1 As previously advised, the secured creditor and preferential creditors whose debts amount to more than 50% of the preferential debts of the company passed a resolution that the Joint Administrators shall be remunerated on a time cost basis by reference to PKF (UK) LLP's normal rates for the time spent by them and their staff in attending to matters arising in the Administration.
- 4.2 From 29 August 2009 to 28 December 2009 time costs of £51,784.40 have been incurred. This represents 427.45 hours at an average charge out rate of £120 per hour.
- 4.3 The Joint Administrators' total time costs as at 28 December 2009 are £619,295.09. This represents 5,078.44 hours at an average charge out rate of £122 per hour.
- 4.4 Approval of the Joint Administrators' fees from 13 February 2009 will be sought in accordance with Rule 2.39 of the Insolvency (Scotland) Rules 1986.
- 4.5 Disbursements incurred in the period from 29 August 2009 to 28 December 2009 are detailed below.

	Category 1	Category 2
	£	£
Mileage	2.07	-
	<u>2.07</u>	<u>-</u>

- 4.6 Our firm's disbursements are charged on the basis of costs incurred as costs generally charged to clients for such services (which are appropriate to cost and do not include any overhead recovery).
- 4.7 Category 1 disbursements are those which generally comprise external suppliers of incidental services specifically identifiable to the client. Category 2 disbursements are generally services supplied internally and require the approval of creditors.

5 COMPLETION OF THE ADMINISTRATION

- 5.1 As there are still a number of leases to be surrendered and expenses to be finalised the Joint Administrators made an application to the Court of Session for the Administration to be extended. The period of the Administration was extended until 29 December 2010.
- 5.2 The company will exit from Administration by way of Dissolution of the company.

**USC Limited ["the Company"]
In Administration**

**3. Receipts and Payments Account
for the period 29 August 2009 to 28 December 2009**

	From 29 Aug 09 To 28 Dec 09	From 29 Dec 08 To 28 Dec 09
RECEIPTS	Total (£)	Total (£)
Sale and Purchase Agreement	-	3,707,750.00
Takings from trading various stores	-	2,948,078.62
Stock	-	362,004.59
Cash in Hand	100,000.00	5,987,632.02
Local Authority Rates Rebates	5,900.54	119,038.36
Book Debts	281.69	300.00
Bank Interest Gross	1,315.21	35,220.76
	<u>107,497.44</u>	<u>13,160,024.35</u>
PAYMENTS		
Advertising	-	224.75
Repairs & Maintenance	-	587.50
Locksmiths	-	154.00
Employees' wages/salaries	-	367,163.98
Rent, Insurance, Service Charges & Rates	29,464.83	868,067.65
Water Rates	148.88	277.82
Storage Costs	-	720.61
Heat & Light	44,826.78	44,826.78
Credit Card & Store Card Provider	8,078.56	17,399.21
Agents/Valuers Fees	-	81,395.35
Insurance	-	6,838.65
Public Notices	-	1,181.70
Registers of Scotland	-	15.00
Professional Fees	-	235.00
Legal Fees	1,346.00	16,760.45
Pre appointment store card charges	-	3,394.61
Bank Charges	-	515.00
Joint Administrators' Fees	-	332,681.92
Joint Administrators' Outlays	-	5,515.93
Floating Charge Creditor	916,000.00	10,623,750.00
Preferential Creditors	52,535.92	52,535.92
	<u>1,052,400.97</u>	<u>12,424,241.83</u>
Balance	<u>(944,903.53)</u>	735,782.52
MADE UP AS FOLLOWS:-		
Bank of Scotland		1,083,047.37
VAT Receivable		3,050.21
VAT Payable		364.86
VAT Control Account		(305,967.04)
Monies to be repaid to West Coast Capital (USC) Limited		(44,712.88)
		<u>735,782.52</u>

SIP9 Analysis of Office Holders Timecosts from 29/08/09 to 28/12/09

Client: 4014023 USC Limited

Tasks	Grade:	Partner / Director	Manager	Supervisor / Senior Administrator	Administrator / Assistant	Total
	Average Cost per hour:	£291.00	£175.00	£111.00	£52.00	£121.00
Partner/Senior Manager Review		1,091.25	0.00	0.00	0.00	1,091.25
Cashiering Function Generally		72.75	1,126.40	0.00	995.20	2,194.35
Dividends & Distributions		0.00	0.00	111.00	0.00	111.00
Office Holders Tax Liabilities		0.00	88.00	3,463.20	170.00	3,721.20
CDDA 1986 Work		0.00	281.60	0.00	0.00	281.60
Partly Secured Creditors (including of lease and HP)		1,207.65	0.00	83.25	0.00	1,290.90
Preferential Creditors		0.00	0.00	249.75	0.00	249.75
Non Preferential Creditors		0.00	898.20	860.25	180.00	1,938.45
Employee Claims		0.00	0.00	1,512.80	0.00	1,512.80
Book Debt Realisations		0.00	17.60	0.00	82.50	100.10
Other Asset Realisations		0.00	0.00	721.50	42.50	764.00
Post Appointment Trading		0.00	0.00	0.00	2,393.50	2,393.50
Insurance & Bonding		0.00	44.00	0.00	0.00	44.00
General Administration		2,458.95	13,094.40	13,613.50	1,561.30	30,728.15
General Advice		0.00	0.00	0.00	42.50	42.50
Secretarial		0.00	0.00	0.00	8.85	8.85
ROT Claims		0.00	572.00	249.75	0.00	821.75
Scotland former 4000		0.00	4,490.25	0.00	0.00	4,490.25
		4,830.60	20,612.45	20,865.00	5,476.35	51,784.40
		16.60	118.05	187.20	105.60	427.45

PKF (UK) LLP

Scottish Region: Glasgow and Edinburgh Offices

Corporate Recovery & Insolvency Department

Charge Out Rates

as at 6 April 2009

Job Title	Hourly Rate
Partner	£291
Director	£222 – £263
Senior Manager	£203
Manager	£176
Assistant Manager	£142
Supervisor	£124
Senior Administrator	£111
Administrator	£94 - £106
Cashier	£48 - £64
Secretarial	£59
Support Staff	£30 - 78

It should be noted that the above rates increase from time to time over the period of the administration of each insolvency case.

A CREDITORS' GUIDE TO ADMINISTRATOR'S FEES (SCOTLAND)

1 Introduction

- 1.1 When a company goes into administration the costs of the proceedings are paid out of the company's assets in priority to creditors' claims. 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 fix 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 in order to achieve one or more of the following statutory purposes:
- the survival of the company or its business in whole or in part;
 - the approval of a company voluntary arrangement;
 - the sanctioning of a scheme under Section 425 of the Companies Act 1985;
 - a better realisation of assets than would be possible in a liquidation.

Administration may be followed by a company voluntary arrangement or liquidation.

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 established at the meeting of creditors which the administrator is required to hold within 3 months of the administration order to consider his proposals. The administrator must call the first meeting of the committee within 3 months 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 the power to summon the administrator to attend before it and provide such information as it may require.

4 Fixing the Administrator's Fees

- 4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.16 of the Insolvency (Scotland) Rules 1986 which states that it may be a commission calculated by reference to the value of the company's property with which he has had to deal.

It is for the creditors' committee (if there is one) to fix the remuneration and Rule 2.16 says that in arriving at its decision the committee should take into account:-

- the work which, having regard to the value of the company's property, was reasonably undertaken by the administrator; and
- the extent of his responsibilities in administering the company's assets.

Although not specifically stated in the Rules, the normal basis for determining the remuneration will be that of the time costs properly incurred by the administrator and his staff.

- 4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration will be fixed by the Court on application by the administrator.

A CREDITORS' GUIDE TO ADMINISTRATOR'S FEES (SCOTLAND)

5 What Information should be Provided by the Administrator?

5.1 Claims by the administrator for the outlays reasonably incurred by him and for his remuneration shall be made in accordance with Section 53 of the Bankruptcy (Scotland) Act 1985 as applied by Rule 4.68 which provides that within two weeks after the end of the accounting period, the administrator shall submit to the creditors' committee or, if there is no creditors' committee, to the Court:

- his accounts of intromissions for audit;
- a claim for the outlays reasonably incurred by him and for his remuneration; and

where the documents are submitted to the creditors' committee he shall send a copy of them to the Court.

5.2 The administrator may at any time before the end of an accounting period submit to the creditors' committee (if any) an interim claim for the outlays reasonably incurred by him and for his remuneration.

5.3 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The administrator should always make available an up to date receipts and payments account. The administrator should be prepared to disclose the amount of time spent, together with such additional information as may reasonably be required having regard to the size and complexity of the case. Where the fee is charged as a commission based on the value of the company's property with which the administrator has had to deal, the administrator should provide details of any work which has been or is intended to be contracted out which would normally be undertaken directly by the administrator or his staff.

5.4 Where an administrator makes, or proposes to make, a separate charge by way of expenses and disbursements to recover the costs of facilities provided by his own firm, he should disclose those charges to the committee or the Court when seeking approval of his fees, together with an explanation of how those charges are made up and the basis on which they are arrived at.

6 What if a Creditor is Dissatisfied?

6.1 If a creditor believes that the administrator's remuneration is too high he may appeal against the determination by virtue of Section 53(6) of the Bankruptcy Act, applied by Rule 4.32 of the Insolvency Rules, which is in turn applied by Rule 2.16. Creditors have a right of appeal against the determination of an administrator's remuneration by virtue of the application of Section 53(6) of the Bankruptcy (Scotland) Act.

6.2 The right of appeal is either to the Court (if the determination is by the creditors committee) or to a higher court (if the determination is by a court). Notwithstanding the fact that the statutory time limit for appealing expires eight weeks from the end of the accounting period concerned, it is normal practice to advise the creditors that they may appeal within 14 days of being notified of the determination in cases where this extends beyond the statutory appeal period.

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 an order increasing its amount or rate. 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.