

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company

Sole Solution Europe Limited – In Administration

Company number

05390231

In the

High Court of Justice, Chancery Division

(full name of court)

Court case number

10109 of 2008

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

I/We (a)
Asher Miller & Henry Lan
David Rubin & Partners
Pearl Assurance House
319 Ballards Lane
London
N12 8LY


*Delete as
applicable

attach a copy of ~~my~~/our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) 16 January 2009

Signed


Joint Administrator

Dated

16 January 2009

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form.

The contact information that you give will be visible to researchers of the public

David Rubin & Partners
Pearl Assurance House
319 Ballards Lane
London
N12 8LY

Ref: AM/HLVS/S355

DX Number

020 8446 8203
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

TUESDAY



A59 20/01/2009 331
COMPANIES HOUSE

SOLE SOLUTION EUROPE LIMITED – IN ADMINISTRATION

HIGH COURT OF JUSTICE NO. 10109 of 2008

**STATEMENT OF FORMAL PROPOSALS AND REPORT OF THE JOINT
ADMINISTRATORS AS REQUIRED BY PARAGRAPH 49 OF SCHEDULE B1 OF
THE INSOLVENCY ACT 1986**

1. INTRODUCTION

Henry Lan and I, Asher Miller, both of David Rubin & Partners, Pearl Assurance House, 319 Ballards Lane, London, N12 8LY were appointed Joint Administrators of Sole Solution Europe Limited ("the Company") on 24 November 2008, by the directors.

The Joint Administrators act jointly and severally in the exercising of any and all functions exercisable by an administrator appointed under the provisions of Schedule B1 of the Insolvency Act 1986 ("the Act").

2. STATUTORY INFORMATION

The Company's statutory information is set out in Appendix 1 of this report.

3. BACKGROUND AND TRADING HISTORY

Sole Solution Europe Limited ("Sole Solution" or "the Company") was founded in March 2005, by Messrs Paul Fenelon and Jonathon Fry.

Mr Fenelon, one of the founding directors, has been involved in the retail industry throughout his whole career and saw an opportunity to develop a retail outlet offering expertly fitted comfort footwear and customised orthotics, as well as more mainstream fashion footwear and accessories. The initial start up costs for this venture were funded by a personal loan from Mr Fenelon.

The Company commenced trading from one retail outlet located in Brighton, and swiftly established itself on the high street. Trading was very positive initially, and given the Company's early success, an additional two stores were opened in quick succession in Tunbridge Wells and Eastbourne.

In 2006, its second year of trading, the Company almost tripled its turnover and towards the end of 2007 the directors decided to open a fourth store in Maidstone.

It soon became apparent that the logistics involved with the operation of four outlets were substantially more involved than the three outlets that had already been established. Computer systems had to be put in place in order to properly monitor and control stock movements, a management team had to be retained to oversee the various retail stores, and a head office established where all administrative tasks were undertaken. The costs arising from this expansion of the Company's business was funded by Mr Fenelon, whose outstanding loan account is shown in the Company's financial statements as at 31 December 2007, to be in excess of £228,000 by this time, compared to £102,000 in the previous year.

During its expansion, the Company also experienced issues with poor purchasing and selection, but this was remedied in March 2008, with the appointment of an experienced merchandiser.

Given the investment that had already been made by the Company, and funded by Mr Fenelon, to establish the groundwork for a much larger operation, the directors decided to open further stores, and in May 2008 an outlet was opened in Canterbury and a month later a sixth store was opened in Bath.

Unfortunately, trading was extremely disappointing during the summer of 2008, and towards the end of that year, the Company's turnover had only increased by approximately 10% from the previous year, whilst trading expenses increased by approximately 35%. Despite the Company's turnover being at its highest since commencement of trade, the income generated did not meet the levels required to meet its increased trading expenses. As a result, the Company began to fall behind with payment of its trade creditors and suppliers. Problems were exacerbated by the well documented general economical downturn that has been experienced since the latter part of 2008.

The Company's last filed accounts were for the year ended 31 December 2007, and management accounts have been maintained for the period to 30 September 2008. A summary of the Company's accounts during its tenure of trade is attached at Appendix 2.

4. EVENTS LEADING TO THE APPLICATION FOR AN ADMINISTRATION ORDER

The Company had been initially profitable, with its brand proving to be well respected in the marketplace. However, as detailed above, the Company encountered difficulties during the course of its expansion. Despite the directors' best efforts, the Company could not continue trading.

After considering their options, the directors decided to obtain the advice of an Insolvency Practitioner and approached David Rubin & Partners in this regard. Several possible procedures were examined, including a company voluntary arrangement ('CVA'), creditors' voluntary liquidation ('CVL') and administration.

It was clear from my initial review of the Company's financial records and from my discussions with the directors that the Company was insolvent by virtue of the fact that its liabilities exceed its assets, and that it could no longer afford to pay its debts as and when they fell due.

Given the uncertainties in the current economic conditions, the nature of the industry in which the Company operates and the financial commitment required to turn the Company's business around as well as to pay a material dividend to a large quantum of creditors, it was concluded that a CVA would not be appropriate in this instance.

Liquidation was also considered but deemed to not be an appropriate procedure for protecting the Company enabling it to maximise realisations from assets. Further, a liquidation would have also resulted in the redundancy of employees which would have given rise to a large number of claims in respect of unpaid employee entitlements, some of which would rank as preferential.

In the circumstances, an administration appeared to be the most appropriate insolvency procedure, with the purpose being to realise the Company's property in order to make a distribution to one or more secured or preferential creditors.

5. PURPOSE OF THE ADMINISTRATION

Paragraph 3(1) of Schedule B1 of the Act states that Administrators must perform their functions with the objective of:

- (a) rescuing the company as a going concern, or
- (b) 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
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

In this case, the Joint Administrators did not consider that objective (a) was achievable, as the Company was heavily insolvent and unable to continue trading for any extended period due to a lack of finance. Objective (b) was considered, however, due to insufficient assets, a dividend to unsecured creditors was unlikely. Accordingly, objective (c) has been pursued with the primary consideration being the realisation of assets for the benefit of the secured and/or preferential creditors in the Administration.

6. CONDUCT OF THE ADMINISTRATION

At the time of the Administrator's appointment, the Company had intangible assets comprising of goodwill and a 'brand' which was well established in the industry, various leasehold premises along with fixtures, fittings and equipment, stock in trade and the Company's website.

It was clear from the outset that in order to maximise realisations for the benefit of the Company's secured and/or preferential creditors, so as to achieve the purposes of the administration, the Administrators had to continue to trade the Company's business whilst a purchaser was sought. By trading the Company's business during the administration period, the Administrators were able to maintain the goodwill of the business, as well as preserve employment for a majority of the employees so as to minimise the incidence of preferential claims.

After examining the trading forecasts prepared by the directors, the Company's Maidstone store was closed and the premises vacated. Trading was continued from the remaining five outlets. The Administrators, their staff and representatives worked closely with the directors and key management staff on a daily basis to ensure a smooth running of the retail stores.

Edward Symmons LLP, an independent firm of professional valuers, were instructed to provide a report and valuation of the Company's business and assets, and to facilitate the sale. A number of potential purchasers were identified, including Mr Fenelon, and discussions were entered into with each of the parties who expressed an interest in purchasing the business and assets.

Two offers were received for the purchase of the Company's business as a going concern, in the sum of £30,000 and £40,000, and a third offer, in the sum of £35,000, was received for the purchase of the Company's stock alone.

The offer for the purchase of the Company's stock was considered to be unacceptable due to the employee redundancies that would occur from such a sale. Professional advice received from my agents on the remaining two offers was to the effect that given the level of Retention of Title claims already notified to the Administrators and the high levels of old season stock held by the Company, it was unlikely that a significantly higher sale price could be achieved. Further, trading results were disappointing and it was therefore imperative that an agreement was reached with one of the remaining two parties before the Company ran out of funds to enable trading to continue.

On 11 December 2008, the Company's business and assets were sold to Shuropody Limited, an unconnected third party, for the sum of £30,000. Whilst this offer was the lower of the two received for the purchase of the Company's as a going concern, this party was in a position to complete the sale immediately and unconditionally. The party that offered £40,000 was not in a position to complete immediately and would not confirm that it would take on the remaining staff.

The consideration for the sale of the business and assets has been apportioned as follows:

	£
Goodwill	15,000
Stock	15,000
Total	30,000

Creditors should note that the sale of the Company's undertaking has preserved the business as a going concern and has avoided the incidence of claims of employees which would have arisen if the Company had ceased to trade and proceeded into liquidation.

Once the final trading reconciliations are complete, the objectives of the administration will have already largely been achieved, due to the sale of the business and assets to Shuropody Limited. In order that the purpose of the administration may be fully achieved, the Joint Administrators propose to remain in office in order to carry out the remaining statutory and practical tasks required of an administrator.

7. STATEMENT OF AFFAIRS

The directors have been requested to prepare a Statement of Affairs ("SoA") pursuant to Paragraph 47 of Schedule B1 of the Act, and a completed document has been received and filed at Companies House.

The directors' SoA has been reviewed and updated to include information not available to them, and for your reference, I enclose at Appendix 3 an amended SoA as at 24 November 2008, along with accompanying notes. Please note that this document makes no provisions for the cost of the administration proceedings and has been prepared on the information provided by a former director and records downloaded from Companies House.

The creditors' claims are based on the last known position from the Company's records. Creditors, if they have not already done so, are requested to submit formal proofs of debt in order that the final position may be ascertained, although it is not the responsibility of the Administrators to formally agree claims.

8. RECEIPTS AND PAYMENTS ACCOUNT

A copy of the Joint Administrators' receipts and payments account for the period 24 November 2008 to 15 January 2009 is attached at Appendix 4.

8.1 Receipts

Cash at bank

This amount represents the credit balance held in the Company's bank account at 24 November 2008.

Goodwill

A total of £15,000 was realised in respect of the Company's goodwill.

Stock

The Company's stock had a book value of £349,000 at the date of appointment. However, the majority of these assets were subject to Retention of Title claims from the Company's various suppliers, and the unencumbered stock comprised mainly of previous season's items. A total of £15,000 from the sale consideration has been attributed to this asset.

Sales

Sales during the administration trading period amounted to £54,306 (plus VAT).

Rates refund

The sum of £1,287.30 was received from the Tunbridge Wells Council in respect of overpayment of business rates in the pre-administration period.

Bank interest

Interest earned to date on the funds in hand amounts to £1.85.

8.2 Payments

Legal fees

This represents the fee paid to my solicitors Fladgate LLP in respect of their costs in producing a Sale and Purchase Agreement and providing legal advice on all aspects in relating to the sale.

Petty cash

This represents petty cash expenditure on items such as postage, stationery and other incidentals during the administration trading period.

Sundry expenses

This includes various employee expenses associated with the administration trading period, including travelling costs, accommodation and meals.

9. CREDITORS

9.1 Secured Creditors

The Company had two registered charges held by Clydesdale Bank Plc (“Clydesdale”) and Mr Paul Fenelon, one of the directors. A summary of these charges is attached at Appendix 5.

It is understood that there are no amounts outstanding to the Clydesdale as first chargeholder, and written confirmation has been received in this regard.

At the date of administration, Mr Fenelon was owed approximately £415,000.

9.2 Preferential Creditors

Under the provisions of Schedule 6 of the Act, any amounts outstanding to employees in respect to unpaid wages (to a maximum of £800) and outstanding annual leave entitlements are afforded priority over the claims of unsecured creditors and the claims of the secured creditor with regards to proceeds from realisation of any assets subject to a floating charge. Any amounts outstanding in respect to payment in lieu of notice and redundancy will rank as an unsecured claim in the administration.

As detailed above, the sale of the Company’s business as a going concern has avoided the need to dismiss most of its employees, which would have given rise to substantial liabilities, some of which would rank as preferential.

There may however, be preferential claims from a few employees who are owed the balance of their arrears of wages and holiday pay, who were made redundant prior to the Company being placed into Administration.

9.3 Non-Preferential Unsecured Creditors

In addition to the Company’s liability to its secured creditor, there are also trade and expense creditors totalling approximately £520,000, Crown liabilities of £50,000 and connected party creditors totalling £40,000.

10. SECTION 176A(2) ‘PRESCRIBED PART’

Section 176A(2) of the Act provides that, where the company has created a floating charge after 15 September 2003, the administrator must make a prescribed part of the company’s net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realisation).

The prescribed part is calculated by reference to a sliding scale as follows:

- 50% of the first £10,000 of net property;
- 20% of net property thereafter;
- Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the prescribed part if:

- The net property is less than £10,000 and he thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)); or
- He applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A (5)).

Mr Fenelon holds a Debenture created on 27 February 2007 and registered at Companies House on 7 March 2007, therefore the provisions of Section 176A will apply in this administration.

However, the value of net property, being the value of realisations from floating charge assets after allowing for preferential debts and the costs of realisations, is anticipated to be minimal and as such, no amounts are expected to be available for distribution to unsecured creditors.

11. CREDITORS MEETING

On current information there are insufficient funds to make a distribution to unsecured creditors. Accordingly, the Joint Administrators have decided, in accordance with Paragraph 52(1)(b) of Schedule B1 of the Act, not to call a meeting of creditors, pursuant to paragraph 51 of Schedule B1 to the Act.

12. JOINT ADMINISTRATORS' TIME COSTS

I have now reviewed my time costs for the period from 24 November 2008 to 15 January 2009 and would report that I have total costs of £41,656 for 221.4 hours, which represents an average cost of £188.15 per hour. Most of the sale negotiation of the business was conducted at partner level, as this required in depth discussion with the directors, the purchaser, my agents and legal advisors in order to achieve the best possible realisation. A breakdown of my staff and my time charges is set out in Appendix 6.

In addition to the above work of developing the strategy for the administration, including liaising with the former director, evaluating the business, agreeing the asset realisation strategy, and overseeing progress of the sale generally, the Joint Administrators and their staff have also undertaken the following tasks:-

- a) Lodging various documents with Companies House and the High Court following the appointment of the Joint Administrators.

- b) Acknowledging creditors claims, answering telephone enquiries and correspondence therewith.
- c) In-depth discussions with the purchaser, directors, my agents and solicitors regarding the sale of the Company's business and assets and obtaining legal and other advice on the sale agreement.
- d) Assessing creditors' claim to retention of title over stock supplied to the Company, answering telephone enquiries regarding this matter and preparing written correspondence therewith.
- e) Investigating the Company's rights in respect of each of the premises occupied.
- f) Trading the Company during the period 24 November 2008 to 11 December 2008, which included monitoring of sales, banking and reconciliations, as well as decision making on all trading expenses.
- g) Opening a designated bank account and dealing with the movement of funds.
- h) Advertising the appointment of the Joint Administrators in the prescribed manner.
- i) Applying for the Joint Administrators' bonds, as required by the Insolvency Practitioners Regulations 2005.
- j) Preparation and distribution of this proposal document to all creditors, and filing the same at Court and at Companies House.

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the current hourly charge out rates applicable to this appointment, exclusive of VAT, are as follows:

	£
Partner /Office holders	300-395
Senior Managers	260
Managers	220
Senior Administrators	140
Administrators and Cashiers	100-110

To view an explanatory note issued by the Association of Business Recovery Professionals (R3) concerning administrators' remuneration, please visit the R3 website at [https://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007\(1\).pdf](https://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007(1).pdf).

Alternatively, please contact this office to arrange for a copy to be sent to you.

13. JOINT ADMINISTRATORS' DISBURSEMENTS

Category 2 disbursements are indirect expenses, which will be charged to the estate at an uplift.

The Joint Administrators' category 2 disbursements are charged as follows:

Headed paper	25p per sheet
Photocopying	6p per sheet

Envelopes	25p per sheet
Postage	Actual cost
Meeting room facility	£150

Storage and Archiving are recharged to the estate at the rate of £10 per box per quarter, and this includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents from the commercial archiving company. Our firm also uses its own personnel and vehicle for collection of books and records for which a charge of £30 per hour is made.

Travelling mileage incurred as a result of any necessary travelling is charged to the estate at the rate of 40p per mile.

14. OTHER MATTERS

It is considered that the EC regulation applies and that these proceedings are main proceedings as defined in Article 3 of the EC Regulation as the Company was incorporated in England and conducted the administration of its interest on a regular basis in the United Kingdom.

15. FORMAL STATEMENT OF ADMINISTRATORS' PROPOSALS

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986, Asher Miller and Henry Lan, the Joint Administrators of Sole Solution Europe Limited – In Administration make, to the creditors, the following proposals for achieving the purpose of the administration:

- i) That without prejudice to the provisions of Paragraphs 59 to 72 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators may carry out all other acts that they consider to be incidental to the proposals above to assist in their achievement of the overriding purpose of the Administration.
- ii) That the Administrators shall have the authority to sanction and agree the fees of any solicitors or similar agents by reference to the time given by such agents and their staff in attending to matters arising in the Administration.
- iii) It is anticipated that matters will be resolved within the 12 months that the Administration Order is in force. However, in the event that delays are experienced in finalising matters, the Joint Administrators' term of office may be extended either by court order for a specified period or by consent of the creditors or chargeholder for a specified period not exceeding six months.
- iv) At present, it is most likely that dissolution will be the most appropriate exit route from administration however, there are still a number of matters to be dealt with. Once those matters are resolved, the Administrators will conclude the administration by lodging form 2.35B with the Registrar of Companies, in accordance with Paragraph 84 of Schedule B1 of the Act. Under these provisions, on the registration of the notice sent by the Administrators to the Registrar of Companies, their appointment as Administrators will cease to have effect, and at the end of three months the Company will automatically be dissolved.

Where the Administrators send such a notice of dissolution to the Registrar of Companies, they must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or dis-apply the automatic dissolution of the Company.

- v) It is proposed under Rule 2.106 of the Insolvency Rules 1986 that the Administrators' fees is to be fixed by reference to time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature.
- vi) It is proposed that the Administrators be authorised to draw fees in respect of their Category 2 disbursements on account, in accordance with their firms' policy as circulated from time to time, the details of which are set out in Point 13 above.
- vii) That the Administrators shall be discharged from liability in respect of any action taken as Administrators, immediately after submitting the final progress report of the Administration to all known creditors.



.....
ASHER MILLER – JOINT ADMINISTRATOR

16 January 2009

APPENDIX 1

STATUTORY INFORMATION

Company registered number:	05390231
Date of incorporation:	11 March 2005
Company name:	Sole Solution Europe Limited
Registered office:	Pearl Assurance House 319 Ballards Lane London N12 8LY
Trading addresses:	22-24 Union Passage, Bath, Somerset BA1 1RD 1-1A Queens Road, Brighton BN1 3WA 15-16 Mercery Lane & 18 Burgate, Canterbury CT1 2JJ 80 Terminus Road, Eastbourne BN21 3LX 16 Weeks Street, Maidstone, ME14 1RN 40A Camden Road, Tunbridge Wells TN1 2PT
Directors:	Adrian Charles Bishop Julian Connolly Paul Fenelon Jonathon Fry
Secretary:	Karen Brooks
Authorised share capital:	1,000 ordinary £1 shares
Issued share capital:	1,000 ordinary £1 shares
Shareholders:	Planmark Holdings

APPENDIX 3

SOLE SOLUTION EUROPE LIMITED - IN ADMINISTRATION
ESTIMATED STATEMENT OF AFFAIRS AS AT 24 NOVEMBER 2008

	<u>Notes</u>	<u>Book Value £</u>	<u>Estimated To Realise £</u>
<u>ASSETS (SUBJECT TO FIXED CHARGE)</u>			
Goodwill		Nil	Uncertain
Less : Paul Fenelon (charge holder)	1		(416,659)
Shortfall to Paul Fenelon c/d			<u>(416,659)</u>
Rent deposit	2	35,250	Uncertain
Less : Landlord's costs			<u>Uncertain</u>
Surplus available to Preferential creditors			Uncertain
<u>ASSETS (SUBJECT TO FLOATING CHARGE)</u>			
Cash at bank		5,547	5,547
Leasehold improvements		122,149	Nil
Shop fittings & equipment	3	33,937	3,000
Stock	4	<u>349,000</u>	<u>Uncertain</u>
<u>SURPLUS AVAILABLE TO PREFERENTIAL CREDITORS</u>			
Employees' preferential claims	5		8,547
			<u>Uncertain</u>
			8,547
<u>PRESCRIBED PART OF NET PROPERTY c/d</u>			
			<u>(4,274)</u>
<u>ASSETS AVAILABLE TO FLOATING CHARGE HOLDER</u>			
Less: Paul Fenelon b/d			4,274
			<u>(416,659)</u>
<u>SHORTFALL AS REGARDS FLOATING CHARGE HOLDERS</u>			
			<u>(412,385)</u>
<u>PRESCRIBED PART AVAILABLE TO UNSECURED CREDITORS b/d</u>			
	6		4,274
<u>UNSECURED CREDITORS - as per list A attached</u>			
Trade and expense creditors	7	519,777	
Employees' non preferential claims	5	Uncertain	
HM Revenue & Customs - VAT		40,841	
HM Revenue & Customs - PAYE		8,153	
Inter-company loan account - Langer (UK) Limited		<u>41,141</u>	
			<u>(609,912)</u>
<u>DEFICIENCY AS REGARDS UNSECURED CREDITORS - as per list A attached</u>			
Shortfall to Paul Fenelon b/d			(605,638)
			<u>(412,385)</u>
<u>DEFICIENCY AS REGARDS CREDITORS</u>			
			(1,018,023)
<u>SHARE CAPITAL - as per list C attached</u>			
1,000 ordinary shares of £1 each			(1,000)
<u>DEFICIENCY AS REGARDS CONTRIBUTORIES</u>			
			<u>(1,019,023)</u>

NOTES

1 *Liability to chargeholder*

Mr Paul Fenelon holds a fixed and floating charge over the Company's property and assets. The amount due to Mr Fenelon has been extracted from the Company's management accounts as at 30 September 2008.

2 *Rent Deposit*

Any rent deposit refund will be subject to set off, dilapidation and any other legitimate claims the landlord may have against the Company.

3 *Shop Fittings & Equipment*

The Company had various display units and shelving which have a very limited market value if sold on a break up basis. The costs in the removal and sale of these items is likely to exceed any return.

4 *Stock*

The Company's stock had a book value of approximately £349,000 at the date of administration. However, the majority of these assets were subject to Retention of Title claims from the Company's various suppliers, and the unencumbered stock comprised mainly of old season items.

5 *Employees' claims*

Under the provisions of Schedule 6 of the Act, any amounts outstanding to employees in respect to unpaid wages (to a maximum of £800) and outstanding annual leave entitlements are afforded priority over the claims of unsecured creditors and the claims of the secured creditors with regards to proceeds from realisation of any assets subject to a floating charge. Any amounts outstanding in respect to payment in lieu of notice and redundancy will rank as an unsecured claim in the administration.

6 *Prescribed part*

Section 176A(2) of the Act provides that, where the company has created a floating charge after 15 September 2003, the administrator must make a prescribed part of the company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realisation).

7 *Trade & expense creditors*

The claims of trade and expense creditors are based upon the latest information available within the Company's books and records. Any variances between the Company's records and the amounts due as per the creditor records are subject to agreement. The amounts disclosed should not be taken as exact or binding upon the creditors.

Costs of the administration

The above figures do not take into account the costs of the administration.

SOLE SOLUTION EUROPE LIMITED - IN ADMINISTRATION

LIST A - UNSECURED CREDITORS

Trade and Expense Creditors

Name	Address	£
Abalon Cleaning Systems Limited	6 The Goffs, Eastbourne, East Sussex, BN21 1HD	94
Automatic Data Processing Limited	Syward Place, Pycroft Road, Chertsey, Surrey, KT16 9JT	351
AMFIT	5408 NE 88th Street, Suite D-406, Vancouver, WA 98665, USA	571
The Art Company B&S S.A.	Poligono Moreta S/N, 26570 Quel, La Rioja, Spain	17,602
Airwair International Limited	Cobbs Lane, Wollaston, Wellingborough, Northants, NN29 7SW	9,228
Keith Anderson	Foxes Earth, Headcorn Road, Grafty Green, Kent ME17 2AP	165
BAE System Pension Fund Trustees Ltd	c/o NB Real Estate, 25 Sackville Street, London W1S 3HQ	8,323
Brighton & Hove City Council	Revenues & Benefits, PO Box 2929, Priory House, Brighton, BN1 1PS	3,026
Bath & NE Somerset Council	Revenues & Benefits, PO Box 2729, Bath, Somerset, BA1 1WF	2,957
Bergal, Nico & Solitaire	Vertriebsgesellschaft, Rheinalle 96, 55120, Mainz, Germany	381
Biffa Waste Services Limited	PO Box 645, High Wycombe, HP12 3WF	148
The Brasher Boot Company	The Pentland Centre, Lakeside, Squires Lane, Finchley, London, N3 2QL	14,801
Canterbury City Council	Corporate Services Department, Military Road, Canterbury, Kent CT1 1YW	2,216
Caprice GmbH & Co.Kg	PO Box 1401, D-32721 Detmold, Germany	5,483
CDX DIAX	Lugar De Godihos, 2.0, Margaride, 4610-261 Felgueiras, Portugal	499
Community Borough Council	7 Arlington Gardens, London, W4 4EZ, ADDRESSEE UNKNOWN	716
Clear It House Clearance	Unit 5, Godfreys Yard, Baldwins Lane, Turnbridge Wells, Kent, TN2 3DH	100
DB Shoes Limited	Irchester Road, Rushden, Northants, NN10 9XF	3,227
DK Profashion GmbH	c/o Graham Paine, Wychwood, Epping Road, Roydon, Essex, CM19 5DW	59
Drain Doctor	Howfield Barn, Howfield Lane, Chartham, Canterbury, Kent CT4 7HQ	1,269
Eastbourne Borough Council	1 Grove Road, Eastbourne, East Sussex, BN21 4TW	3,488
Ecco Shoes UK Limited	The Granary, Abbey Mill Business Park, Lower Eashing, Godalming, Surrey GU7 2QW	66,099
Eden Springs	3 Livingstone Boulevard, Hamilton International Tech Park, Blamtyre, Lanarkshire, G72 0BP	104
EON Energy	Westwood Way, Westwood Business Park, Coventry CV4 8LG	1,267
Evercare Trading Limited	PO Box 38963, N22 8WT	683
El Natura Lista	Inyectados Y Vulcanizados, Sa Poligono Moreta S/N, 26570 Quel (La Rioja), Spain	207
Fitflop Limited	Orchard House, 167-169 Kensington High Street, London, W8 6SH	892
FLA Europe NV	Lindestraat 58, B-9700 Oudenaarde, Belgium	15,884
Footcare & Recruitment Limited	Acre House, 11 - 15 William Road, London NW1 3ER	961
Fishwalk Limited	32B Tytherton Road, London N19 4QA	3,955
Friday Holdings	London Road, Sayers Common, West Sussex BN6 9HS	0
Grahams Cleaning Services Limited	216 Coronation Avenue, Oldfield Park, Bath, Somerset, BA2 2JS	132
Grunwick Processing Labs Limited	Executive Retirement Benefits, Sterling Way, Borehamwood, Hertfordshire, WD6 2AZ	12,600
Ghetz Limited	8 Avondale Road, London N3 2EP	7,175
Haven Security Limited	86 South Coast Road, Peacehaven, East Sussex BN10 8SL	3,661
The Healthy Back Bag Company	90 De Beauvoir Road, London, N1 4EN	44
Hispanias - Emboga, S.A.	Avda. De La Libertad, 44-45 Pol. Ind. Salinetas, Aptdo 48, 03610, Petrer (Alicante), Spain	4,519
HUB BUB BV	Turfchipper 70-72, 2292 JB, Wieringen, The Netherlands	9,391
Intershoe A Division of The Clinkard Group Ltd	Eveline House, Preston Farm Business Park, Stockton On Tees, Cleveland, TS18 3TA	10,418
IP Logics	664 Ellicott Station, Buffalo, NY 14205, USA	373
Josef Seibel UK Ltd	Seibel House, 7 Meridian Way, Norwich, NR7 0TA	23,486
JWC Cleaning	73 Dornden Drive, Langton Green, Tunbridge Wells, Kent, TN3 0AG	480
Just Papers Limited	Nuffield Road, Harrowbrook Industrial Estate, Hinckley, Leicestershire, LE10 3DG	81
Conegate (2006) Limited	c/- King Sturge LLP, 40 Berkeley Square, Bristol BS8 1HU	6,683
Kad Design Retail Services Limited	Whitmore House, Whitmore Road, Blaydon on Tyne NE21 4AN	39,932
Kayne Properties Limited	1001 Alexander House, 35 Ebene Cybercity, Republic of Mauritius	0
Langer UK Ltd	Brookhouse Way, Cheadle, Stoke on Trent, Staffordshire, ST10 1SR	41,141
Manuel Benjamin Fernandes Rodrigues & CA	LDA, Lugar Da Rapadica - Revinhade, 4650-373 Felgueira, Portugal	15,257
Marko Schuhfabrik GmbH	Hauptstrasse 35, A-4794 Kopfling, Austria	37,149
Maidstone Borough Council	PO Box 525, 13 Tonbridge Road, Maidstone, Kent, ME16 8XJ	4,852
Masai GB Ltd	Unit 2A Burbage House, 83 Curtain Road, London, EC2A 3BS	48,963
MISCO	10-14 Darby Close, Park Farm South, Wellingborough, Northants, NN8 6GS	178
O2 UK Limited	Payment Processing Centre, Milton Keynes, MK77 1UB	71
Ocean Hygiene Services Limited	Ocean House, 18 St Lenards Road, Hove, East Sussex, BN2 4QR	411
Opus Energy Limited	Unit 3A Mercury Drive, Brackmills, Northampton NN4 7PN	447
PHS Wastetech	The Quadrant, Malborough Road, Lancing, West Sussex, BN15 8UW	257
Pikolinos Intercontinental SA	Calle Galileo Galilei, 2 "Elche Parque Industrial", 03203 Elche (Alicante), Spain	25,387
Plan A Head	Unit 6 Commercial Mews South, Commercial Road, Eastbourne, East Sussex, BN21 3XF	267
M Renwick Cleaning Contractors	27 Lympham Green, Bath, Somerset BA2 2UL	316
Redcastle Ltd	Sales Ledger Department, Hudson Road, Leeds, LS9 7DN	11,997
Romika Shoes GmbH	Seibel House, 7 Meridian Way, Norwich, NR7 0TA	8,461
Roman Glass Limited	65 Lower Bristol Road, Bath, Somerset, BA2 3BE	0

Shoe-String	103 Bath Street, Market Harborough, Leicestershire, LE16 9EJ	381
Shopfitting Contracts Limited	Hunters Lodge, Cottesmore Road, Ashwell, Oakham, LE15 7LG	17,531
Skafe Limited	Melbourne House, 36 Chamberlain Street, Wells, Somerset BA5 2PJ	10,099
Streamline	Gateshead Card Centre, PO Box 27, Victory House, Fifth Avenue, Gateshead NE8 1HJ	895
Swift Transport Services	1 Burrow Down Close, Eastbourne, East Sussex, BN20 8SU	390
Terraferma SRL	Societa Unipersonale, Via Rome, 66, 36022 Cassola (VI), Italy	249
The Till Role Company	28 Chapelgate, Retford, Notts DN22 6PJ	143
Timberland UK Ltd	Wexham Springs, Framewood Road, Wexham, Slough, Berkshire, SL3 6PJ	9,057
Towergate Riskline	Downsview House, 141-145 Station Road East, Oxted, Surrey, RH8 0QE	1,088
Tunbridge Borough Council	Town Hall, Royal Tunbridge Wells, Kent, W4 4EZ	1,710
Viking Direct	Office Depot, Lancer House, Scudamore Road, Leicester LE3 1UB	69
Wolverine Europe Limited	Accounts Receivable Department, Kings Place, 90 York Way, London, N1 9AG	7,491
Wolky BV International	Voorveste 15 B/C, 3992 DC Houten, The Netherlands	28,815
Claire Wilson	35 Sunnyside Road, Tunbridge Wells, Kent TN4 8RB	4,115
Total		560,918

Crown Creditors

Name	Address	£
HM Revenue & Customs (PAYE/NIC)	Accounts Office, Bradford, BD98 1YY	8,153
HM Revenue & Customs (VAT)	Insolvency Operations, 3 NWs, Queens Dock, Liverpool L74 4AA	40,841
Total		48,994

Employees

Name	Address	£
Hannah Croxon	59 Kings Road, Aylesham, Canterbury, Kent CT3 3HD	Uncertain
Tania Dane	Abbey Farm, Abbey Road, Faversham, Kent ME13 7BL	Uncertain
Cory Hopkins	54 Marsden Road, Kingsway, Bath, Somerset BA2 2LL	Uncertain
Denisa Klerknerova	144a Camden Road, Tunbridge Wells, Kent TN1 2QZ	Uncertain
Shirley Martin	6 Bonnington Road, Vinters Park, Maidstone, Kent ME14 5QR	Uncertain
Samuel Batten	9 Englishcombe Lane, B.A.N.E.S, Bath, Somerset BA2 2ED	Uncertain
Jade Sendall	5 Vicarage Road, Eastbourne, East Sussex BN20 8AT	Uncertain
Alexandra Turner	27 Dorset Street, Oldfield Park, Bath, Somerset BA2 3RA	Uncertain

SOLE SOLUTION EUROPE LIMITED - IN ADMINISTRATION

LIST B - SECURED CREDITORS

Name	Address	£
Paul Fenelon	c/- Brookhouse Way, Cheadle, Stoke on Trent, Staffordshire, ST10 1SR	416,659
Total		416,659

LIST C - SHAREHOLDERS

Name	Address	Shareholding
Planmark Holdings Limited	PO Box N8188, Nassau, Bahamas	1,000

APPENDIX 4

SOLE SOLUTION EUROPE LIMITED - IN ADMINISTRATION
ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FROM 24 NOVEMBER 2008 TO 15 JANUARY 2009

	<u>Estimated</u> <u>to realise</u> £	<u>P/E</u> <u>15-Jan-09</u> £
<u>Balance brought forward</u>		
<u>Receipts</u>		
Cash at bank & in transit	10,507.00	5,547.36
Lease improvements	122,149.00	0.00
Goodwill	Uncertain	15,000.00
Shop fittings & equipment	33,937.00	0.00
Stock	<u>408,000.00</u>	15,000.00
Gross Sales		54,306.35
Rates refund		1,287.30
Bank Interest - Gross		<u>1.85</u>
		<u>91,142.86</u>
<u>Payments</u>		
Legal fees		5,525.00
Petty cash		1,010.67
Statutory advertising		150.12
Sundry expenses		<u>538.46</u>
		<u>7,224.25</u>
Receipts less Payments		<u><u>83,918.61</u></u>
Represented by:-		
Balance at bank		92,135.88
VAT Payable		<u>(8,217.27)</u>
		<u><u>83,918.61</u></u>

APPENDIX 5

Description:	Debenture		
Persons Entitled:	Clydesdale Bank PLC		
Date Created:	12/01/2006	Date Registered:	28/01/2006
Amount Secured:	All monies due or to become due from the Company to the chargee under the terms of the aforementioned instrument creating or evidencing the charge.		
Short Particulars:	Fixed and floating charges over the undertaking and all property and assets present and future including goodwill bookdebts uncalled capital buildings fixtures fixed plant and machinery see the mortgage charge document for full details.		

Description:	Debenture		
Persons Entitled:	Paul David Fenelon		
Date Created:	27/02/2006	Date Registered:	07/03/2007
Amount Secured:	All monies due or to become due from the Company to the charge on any account whatsoever under the terms of the aforementioned instrument creating or evidencing the charge.		
Short Particulars:	Fixed and floating charges over the property and assets including goodwill uncalled capital plant and machinery see the mortgage charge document for full details.		

APPENDIX 6

SOLE SOLUTION EUROPE LIMITED - IN ADMINISTRATION LIQUIDATOR'S TIME COSTS FOR THE PERIOD 24/11/2008 TO 15/01/2009 SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Managers / Senior Managers	Administrators/ Senior Administrators	Cashiers	Total hours		
Statutory compliance, admin and planning	03:30	16:54	43:06	04:36	68:06	12,043.00	176.84
Investigations	00:00	00:00	01:24	00:00	01:24	169.00	120.71
Realisations of assets	03:12	47:36	15:24	00:00	66:12	14,004.00	211.54
Creditors	02:30	13:12	44:18	00:00	60:00	8,800.00	146.67
Trading	02:00	23:42	00:00	00:00	25:42	6,640.00	258.37
Total hours and costs	11:12	101:24	104:12	04:36	221:24	41,656.00	188.15

The above headings include *inter alia*:

Administration and Planning

case planning
appointment notification
maintenance of records
statutory reporting and compliance
tax and VAT

Realisation of Assets

identifying and securing assets
debt collection
property, business and asset sales

Investigations

SIP2 review
reports pursuant to Company Directors Disqualification Act 1986
investigating antecedent transactions

Creditors

communications with creditors
creditors claims (including secured creditors, employees and preferential creditors)

Chargeout rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the current hourly chargeout rates applicable to this appointment, exclusive of VAT, are as follows:

	£
Partners/Office Holders	300-395
Managers/Senior Managers	220-260
Administrators/Senior Administrators	110-140
Cashiers	100-120

Chargeout rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include but are not limited to such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 disbursements")

It is normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP 9) to the case, where appropriate:

Postage and stationery: circulars to creditors

Headed paper	25p per sheet	Envelopes	25p each
Photocopying	6p per sheet	Postage	Actual cost

Meeting Costs: Use of Meeting Room is charged at £150 per session.

Storage and Archiving

We use a commercial archiving company for storage facilities for company's records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £30 per hour.

Mileage incurred as a result of any necessary travelling is charged to the estate at the HM Revenue & Customs approved rate, currently 40p per mile.