

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 4 0 8 9 1 8 6

Company name in full Sunfold Systems Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Court details

Court name High Court of Justice Leeds

Court case number 0 0 1 0 5 6 2 0 1 9

3 Administrator's name

Full forename(s) Claire Elizabeth

Surname Dowson

4 Administrator's address

Building name/number 3rd Floor

Street Westfield House

Post town 60 Charter Row

County/Region Sheffield

Postcode S 1 3 F Z

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

5**Administrator's name ①**

Full forename(s)

Joanne Louise

Surname

Hammond

① Other administrator

Use this section to tell us about another administrator.

6**Administrator's address ②**

Building name/number

3rd Floor

Street

Westfield House

Post town

60 Charter Row

County/Region

Sheffield

Postcode

S 1 3 F Z

Country

② Other administrator

Use this section to tell us about another administrator.

7**Appointor/applicant's name**

Give the name of the person who made the appointment or the administration application.

Full forename(s)

Michael John Winstanley

Surname

Rawlings

8**Proposed liquidator's name**

Full forename(s)

Claire Elizabeth

Surname

Dowson

Insolvency practitioner number

1 9 2 7 2

9**Proposed liquidator's address**

Building name/number

3rd Floor

Street

Westfield House

Post town

60 Charter Row

County/Region

Sheffield

Postcode

S 1 3 F Z

Country

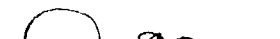

Notice of move from administration to creditors' voluntary liquidation

1 Other liquidator
Use this section to tell us about another liquidator.

2 Other liquidator
Use this section to tell us about another liquidator.

12 Period of progress report											
From date	^d 2	^d 5	^m 0	^m 3	^y 2	^y 0	^y 2	^y 1			
To date	^d 0	^d 5	^m 0	^m 8	^y 2	^y 0	^y 2	^y 1			

13	<p>Final progress report</p> <p><input checked="" type="checkbox"/> I have attached a copy of the final progress report.</p>
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14	Sign and date											
Administrator's signature	Signature 											
Signature date	d	d	m	m	y	y	y	y				
	0	5	0	8	2	0	2	1				

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Kerry Norton**

Company name **Begbies Traynor (SY) LLP**

Address
**3rd Floor, Westfield House
60 Charter Row**

Post town **Sheffield**

County/Region

Postcode **S 1 3 F Z**

Country

DX

Telephone
0114 2755033

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Sunfold Systems Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 25/03/2021 To 05/08/2021 £	From 25/09/2019 To 05/08/2021 £
	SECURED ASSETS		
1,450,000.00	Freehold Land & Property	1,100,000.00	1,100,000.00
		1,100,000.00	1,100,000.00
	COSTS OF REALISATION		
	Administrators' Fees	55,000.00	55,000.00
	Legal Fees		
	Unassigned	6,955.75	6,955.75
	Disbursements	18.00	18.00
	Agents/Valuers Fees		
	Fees	18,428.37	18,428.37
	Irrecoverable VAT	16,076.82	16,076.82
	Historic Arrears/Service Charges	5,104.64	5,104.64
		(101,583.58)	(101,583.58)
	HIRE PURCHASE		
22,600.00	2 X Peugeot Boxer Vans	NIL	NIL
(29,576.00)	LeasePlan UK Limited	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
18,893.46	Book Debts	NIL	9,465.92
600.00	Furniture & Equipment	NIL	600.00
900.00	Motor Vehicles	NIL	3,000.00
	Rates Refund	3,932.94	3,932.94
4,000.00	Warehouse Equipment	NIL	NIL
1,400.00	Yard Assets	NIL	NIL
		3,932.94	16,998.86
	COST OF REALISATIONS		
	Administrators' Fees		
	Pre Administration Fees	9,210.50	18,460.50
	Post Administration Fees	50,000.00	50,000.00
	Agents/Valuers Fees (2)		
	Post Appointment Fees	NIL	400.70
	Post Appointment Disbs	NIL	645.00
	Bank Charges	7.00	44.75
	Debt Collection Costs		
	Pre Appointment	3,000.00	3,000.00
	Disbursements		
	Mileage	296.10	296.10
	Postage	316.89	316.89
	Storage	149.28	149.28
	Electricity	6,790.22	6,790.22
	Employee/Pension Advice	700.00	1,350.00
	Insurance of Assets	30,020.44	30,020.44
	Legal Disbursements	79.60	79.60
	Legal Fees	7,356.00	7,356.00
	Specific Bond	775.00	775.00
	Statutory Advertising		
	Advertising	NIL	75.00
		(108,701.03)	(119,759.48)
	Surplus to liquidation		
	Unclaimed Dividends	881,001.22	881,001.22
		(881,001.22)	(881,001.22)
	PREFERENTIAL CREDITORS		
(929.09)	Employees re Arrears/Hol Pay	14,385.98	14,385.98

Sunfold Systems Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs		From 25/03/2021 To 05/08/2021	From 25/09/2019 To 05/08/2021
£		£	£
	PAYE/NIC deductions from pref divide	268.60	268.60
Uncertain	Pension Contributions	NIL	NIL
(13,704.08)	RPO re Arrears/Holiday Pay	NIL	NIL
		(14,654.58)	(14,654.58)
	UNSECURED CREDITORS		
(103,052.44)	Barclays Bank Plc	NIL	NIL
(355,528.60)	Consumer Creditors	NIL	NIL
(4,642.88)	Employees	NIL	NIL
(8,000.00)	HMRC (PAYE)	NIL	NIL
(25,000.00)	HMRC (VAT)	NIL	NIL
(293,532.00)	Mr Rawlings - Directors Loan Account	NIL	NIL
(45,000.00)	Mrs Rawlings - Directors Loan Account	NIL	NIL
(69,937.46)	RPO	NIL	NIL
(122,043.21)	Trade Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(10,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
417,447.70		(2,007.47)	0.00
	REPRESENTED BY		
			NIL

Claire Elizabeth Dowson and Joanne Louise Hammond appointed joint administrators on 25 September 2019

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

Sunfold Systems Limited (In Administration)

Final Progress Report of the joint administrators

Period: 25 March 2021 to 5 August 2021

Important Notice

This final progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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- ❑ Remuneration and expenses
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 - 3. Time costs and expenses
 - 4. Statement of expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Sunfold Systems Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 25 September 2019
"the administrators", "we", "our", "us"	Claire Elizabeth Dowson of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ and Joanne Louise Hammond of Begbies Traynor (SY), 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act.

2. STATUTORY INFORMATION

Name of Company	Sunfold Systems Limited
Trading name(s):	Sunfold Systems Limited
Date of Incorporation:	12 October 2000
Company registered number:	04089186
Company registered office:	Sunfold House, Wymondham Business Park, Wymondham, Norfolk, NR18 9SB

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators:	Claire Elizabeth Dowson, a Licensed Insolvency Practitioner of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ and Joanne Louise Hammond, a Licensed Insolvency Practitioner of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ
Date of appointment:	25 September 2019
Date of resignation:	N/A
Court:	High Court of Justice Leeds
Court Case Number:	CR-2019-LDS-001056
Person(s) making appointment / application:	The directors of the Company, Michael John Winstanley Rawlings, Elizabeth Rebecca Winstanley Steward, Linda Susan Rawlings and Beverley Ann Marshall of Sunfold House, Wymondham Business Park, Wymondham, Norfolk NR18 9SB.
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The administration was extended with the consent of creditors for a period of 12 months until 25 September 2021.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 25 March 2021 to 5 August 2021. Detailed below is an explanation of the transactions which have occurred during the period covered by this report.

Receipts

Freehold Land & Property

As advised within our previous report, the Company's former trading premises continued to be marketed by Brown & Co, the joint administrators property agents, despite interest in the property

being compounded by the worldwide Coronavirus pandemic. This course of action resulted in new expressions of interest being received by Brown & Co. Therefore, Brown & Co were instructed to obtain best and final offers to enable the joint administrators to review the offers received and conclude a sale.

As a result, an offer was agreed which resulted in the Company's premises being sold to Haas 2007 Limited ("Haas") for the sum of £1,100,000.00. The sale completed on 2 June 2021.

Rates Refund

A rates refund in respect of the Company's trading premises was repaid into the administration estate in the sum of £3,932.94, from South Norfolk DC.

Payments

Administrators Fees – Fixed

The joint administrators have drawn remuneration in the sum of £55,000.00, which was based on 5% of the disposal value of the Company's property as agreed by creditors on 3 December 2019.

Legal Fees and Disbursements - Fixed

Irwin Mitchell LLP ("Irwins") have been paid the sums of £6,955.75 and £18.00 respectively in relation to their fees and disbursements incurred, following their assistance with the sale of the Company's property.

Agents/Valuers Fees – Fixed

Brown & Co Ltd ("Brown & Co") have been paid £17,825.00 in relation to their assistance with the sale of the Company's former trading premises, as detailed above. Such fees and disbursements falls in line with their previously agreed fee basis.

In addition, the sum of £603.37 which has been paid to Remotezone who are part of the Eddisons group of companies. Eddisons is a part of the Begbies Traynor Group and connected to Begbies Traynor (SY) LLP. Such funds relate to the water drainage and change of locks at the Company's trading premises.

Irrecoverable VAT – Fixed

VAT in the sum of £16,076.82 has been allocated to irrecoverable VAT and relates to fees and expenses which relate to the fixed charge element following the disposal of the Company's premises.

Historic Arrears/Service Charges

The sum of £5,104.64 which relates to the historic arrears and service charges incurred in respect of the Company's former trading premises, were deducted from the sale proceeds received.

Administrators Fees – Pre Appointment

The joint administrators have drawn the sum of £9,210.50 in relation to their pre-appointment time costs incurred. Such fees were approved by the Company's creditors previously.

Administrators Fees – Post Appointment

The joint administrators have drawn remuneration in the sum of £50,000.00 against their post appointment fees, in accordance with the fixed fee approval obtained from creditors..

Bank Charges

Handelsbanken Plc ("Handelsbanken") have been paid the sum of £7.00 in relation to the maintenance charges incurred on the estate bank account, during the period covered by this report.

Debt Collection Fees – Pre Appointment

Leslie Keats have been paid £3,000.00 in relation to their time costs incurred following a review of the Company's outstanding debtor ledger, together with their advice in pursuing the same, prior to the joint administrators appointment.

Expenses – Mileage

Mileage charges in the sum of £296.10 have been incurred and discharged in relation to the joint administrators costs of travel, during their appointment.

Expenses – Postage

Postage charges in the sum of £316.89 have been incurred and discharged in relation to the costs of issuing the joint administrators previous progress reports as well as this final report to the Company's creditors. In addition, this sum also includes charges in respect of ad-hoc postage issued to creditors and other parties as and when required.

Expenses – Storage

Funds in the sum of £149.28 have been incurred and discharged in relation to the costs of storing the Company's books and records.

Electricity

Electricity charges in the sum of £6,790.22 have been paid to BES Commercial Electricity Ltd ("BES") in respect of the Company's former property. This was to ensure that the Company's premises remained secured in respect of the alarmed system which was utilised at the premises.

Employee/Pension Advice

UKELC & Co Ltd ("UKELC") have been paid £700.00 in relation to their assistance with the Company's former employees, their claims and the pension scheme operated by the Company previously.

Insurance of Assets

Eddisons Insurance Services Limited ("EIS"), a party who is part of the Begbies Traynor Group and therefore connected to Begbies Traynor (SY) LLP, have been paid the sum of £30,020.44 in relation to placing cover over the Company's property and assets and ensuring such cover remained in place until such time as the premises and assets were disposed of.

Legal Fees & Disbursements

Irwins have also been paid £7,356.00 and £79.60 in relation to their time costs and disbursements for the work undertaken, during the course of the administration proceedings. Such work relates to any matters other than that of the Company's premises.

Specific Bond

The joint administrators have obtained a statutory bond in order to cover all realisations in the estate. The sum of £775.00 has been paid in this regard.

Employees Arrears/Holiday Pay and PAYE/NIC deductions

The joint administrators arranged for a first and final distribution to be paid to the Company's preferential creditors of 100p in the £. This resulted in funds totalling £14,385.98 and £268.60 being discharged respectively.

Surplus to Liquidation

Funds totalling £881,001.22 have been transferred into the subsequent liquidators estate bank account which will be used to defray the expenses of the liquidation and as a distribution to creditors.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs are not split out per heading, as our remuneration is based on a fixed sum and/or a percentage basis.

The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

General case administration and planning

During the period covered by this report, the joint administrators have completed the works required to maintain the administration including undertaking periodic case reviews to ensure that the case is progressing as appropriate and that all statutory duties have been completed as necessary.

In addition, the joint administrators have continued to monitor and update the case specific diary and checklists to ensure that all statutory matters have been completed prior to the statutory due dates and to ensure that the case progresses in a timely manner.

These works have not provided a better financial return to the Company's creditors but have ensured adequate case progression.

Compliance with the Insolvency Act, Rules and best practice

The joint administrators have prepared and issued their six monthly progress report to the Company's creditors and to the Registrar of Companies with the necessary notices and receipts and payments account.

The estate bank account has continued to be regularly monitored and reconciled against our internal system to ensure that all receipts and payments are being accounted for.

Regular reviews of the joint administrators' statutory bond have been undertaken to ensure that this remains at an appropriate level to cover all realisations into the case.

A closure review has also been compiled to ensure that all matters within the administration have been concluded to enable the Company to proceed to liquidation to facilitate a distribution to the unsecured creditors, in due course.

These works have not resulted in a financial benefit to the Company's creditors as a whole, however such tasks were required by statute therefore the costs involved could not be avoided.

Investigations

No investigations have been undertaken, during the period covered by this report.

Realisation of assets

Communications have continued with Brown & Co in relation to the marketing strategy, interested parties and offers received, in respect of the Company's freehold property. As previously reported, the Coronavirus pandemic has had an impact on the economy and the property market in this regard.

As detailed in our previous progress report, offers were received and Brown & Co were instructed to obtain best and final offers in order that the joint administrators could review the same and agree a sale. Following receipt of the offers, a sale was recommended for acceptance by Brown & Co and the joint administrators concurred therefore, the joint administrators instructed Irwins to draft the necessary sale contract for their review prior to this being issued to the purchaser. The sale of the Company's premises completed on 2 June 2021.

The joint administrators have also corresponded with Leslie Keats in relation to the Company's outstanding debtor ledger and the likelihood of future realisations.

This work has resulted in a financial benefit to the Company's preferential and unsecured creditors as a distribution has been issued to the preferential creditors in full and we anticipate that a distribution will be issued to the unsecured creditors, within the subsequent liquidation of the Company.

Trading

The Company has not traded whilst in administration therefore, no time has been incurred in this regard.

Dealing with all creditors' claims (including employees), correspondence and distributions

The joint administrators have spent time liaising with the Company's creditors in relation to their claims and queries which have been received during the administration process. This has included entering creditor claims on the joint administrators' internal system in readiness for the adjudication process to commence as and when necessary. Time has also been spent providing verbal and written updates to creditors upon their request following making contact with the joint administrators directly.

Communications have also been continued with the Company's bankers with regard to the progress of the disposal of the Company's trading premises, as detailed earlier in this report, the same has been completed.

Correspondence has also been continued with BES in relation to the Company's former trading premises electricity charges and repayment of the same.

Discussions have also been held with the major creditor to discuss the strategy and updates in relation to the premises.

Steps have also been taken to arrange for a first and final distribution of 100p in the £ to be issued to the Company's preferential creditors in this matter. This has included ensuring that the claims have been entered and agreed on the joint administrators' internal system, together with merging and issuing the relevant dividend letters and cheques.

The above have not resulted in a better financial return to the Company's creditors however, it has provided information to enable the creditors to understand the administration process and the progress to date, together with ensuring that the correct distribution has been issued to the preferential creditors.

Other matters which includes seeking decision of creditors via deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

The joint administrators have prepared and submitted their VAT and Corporation Tax returns as and when the same have fallen due as well as chasing repayment of the same where necessary.

A VAT7 form has also been prepared and issued in order to deregister the Company for VAT purposes.

This work has not resulted in a financial benefit to the Company's creditors however, the same is a statutory requirement of the joint liquidators therefore cannot be avoided.

5. OUTCOME FOR CREDITORS

Secured creditors

There are no known secured creditors.

Preferential creditors

A dividend of 100p in the £ has been paid to the preferential creditors as follows:

Dividend	Date of Dividend	Amount (pence in £)
First & Final	7 July 2021	100p in the £

Secondary preferential creditors

There are no secondary preferential claims as the joint administrators were appointed prior to 1 December 2020 therefore, this particular matter does not apply in this instance.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part is calculated have previously been provided in our statement of proposals.

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Unsecured creditors

There are sufficient realisations for a dividend to be paid to the unsecured creditors which will be paid by the subsequently appointed liquidators. The quantum of the distribution is dependent upon the level of future professional fees and also the value of total unsecured claims received once a dividend exclusion notice has been issued to all creditors who have not yet submitted their claim.

We are aware of various former customers of the Company who are seeking to submit claims within the estate. The validity of such claims will be reviewed in the liquidation. Until such claims are reviewed, it is not possible to estimate the likely return available to creditors.

Exit from administration

Once the Notice of move from administration to creditors' voluntary liquidation (Form AM22) has been registered at Companies House (which we anticipate shortly), our appointment as administrators will cease to have effect and the Company will be deemed to be subject to

creditors' voluntary liquidation with the former administrators acting in the capacity as joint liquidators of the Company.

6. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our proposals as approved by the initial meeting of creditors held on 3 December 2019.

7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

Prior to their appointment the joint administrators and their staff attended the Company's premises to review the Company's financial position and to agree a strategy in relation to the action required.

As at the date of the joint administrators' appointment the Company had made five of its thirteen employees redundant and had stopped taking any further orders. Whilst the Company had some stock on site, having instructed Eddisons Commercial Limited ("Eddisons"), valuers who are a part of the Begbies Traynor group and who are therefore connected to Begbies Traynor (SY) LLP, to review the same, we were advised that the Company held insufficient stock to allow any works to be completed.

Furthermore, as one of the Company's main suppliers was subject to administration proceedings in Germany, it was therefore not possible to source guaranteed goods as necessary.

A review of the Company's creditor position showed that a number of creditors had paid deposits for goods which the Company had not yet received. Without a forecast cash inflow from customers it was not possible to fund ongoing trading. As such, the decision was made to cease trading on the date of our appointment, 25 September 2019.

The remaining eight employees of the Company were made redundant with immediate effect.

Eddisons were instructed to review the Company's chattel assets, including its stock, equipment, office furniture and motor vehicles. Various discussions were held with Eddisons in relation to the possible realisation strategies with such assets being sold on a piecemeal basis where possible.

Following their appointment the joint administrators received a high number of calls from third party customers enquiring as to their orders and whether any goods were on site for delivery. Enquiries were made in relation to the same and whilst goods were supplied where possible, as advised above, there was limited stock on site as at the date of our appointment.

As at the date of the joint administrators' appointment the Company's trading premises at Sunfold House, Wymondham Business Park, Chestnut Drive, Wymondham, Norfolk, NR18 9SB were wholly owned by the Company and were not subject to any charges.

EIS and RemoteZone were instructed to place the Premises on the joint administrators open cover insurance policy and to change the locks to the building to ensure that the premises were secured.

Brown & Co property agents of Norwich were instructed to attend the Company's Premises and to provide their recommendation strategy for marketing the same. Having received their advice, Brown & Co were formally instructed to proceed with marketing the premises for sale.

Minimal time has also been spent liaising with Leslie Keats quantity surveyors in relation to the Company's debtor ledger. Having reviewed the Company's ledger, and having taken account of

all deposits paid where goods had not been delivered, the remaining ledger was nominal. Leslie Keats were however instructed to pursue the remaining ledger where possible.

Unfortunately, the Company's premises took longer to dispose of than originally anticipated and as a result, the joint administrators requested an extension of the administration by the Company's unsecured creditors for a period of a further 12 months. Such request was approved with the automatic end of the administration being 25 September 2021.

Following disposal of the Company's premises, this resulted in the preferential creditors of the Company to be repaid in full and, provided sufficient funds to enable a distribution to be made to the unsecured creditors. Such a distribution will be made to unsecured creditors within the subsequent liquidation of the Company.

The joint administrators are currently drafting the appropriate paperwork to enable the move from administration to liquidation therefore, the Company will proceed to liquidation shortly.

In addition to the above, following their appointment the joint administrators and their staff have spent time in relation to general case administration and planning (which includes the setting up of the case on the joint administrators internal systems, preparing a case strategy document and opening a bank account in the Company's name) and complying with the Insolvency Act and Rules (including issuing notices of their appointment to the relevant parties prescribed within the Act and obtaining their statutory bond to secure the assets within the estate).

8. REMUNERATION & EXPENSES

Our remuneration has been fixed on a mixture of various basis, namely as a percentage of the value of the assets we have had to deal with, at an agreed rate of 5% of the property disposal value, together with a set amount of £20,000.00 in respect of all other matters within the administration proceedings at a virtual meeting of creditors held on 3 December 2019. In addition to the fixed fee of £20,000.00, this was subsequently increased by £30,000.00 via a notice of decision by correspondence from the Company's creditors which was approved on 10 November 2020. Such a request was issued as a result of the time it has taken to dispose of the Company's premises which, was longer than originally anticipated and therefore resulted in increased costs being incurred. This has therefore result in our fixed fee increasing to £50,000.00.

We are also authorised to draw expenses for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

We have realised the following assets in relation to which approval has been obtained that a percentage of the sums realised be taken as remuneration:

Description of asset	Value of assets realised in period of this progress report	Total value of assets realised since appointment	% remuneration agreed	Total fees drawn to date (£)	Fees not drawn to date
Property	£1,100,000.00	£1,100,000.00	5%	55,000.00	0.00

To 5 August 2021, we have drawn the total sum of £50,000.00 on account of our approved fixed fee of £50,000.00.

What was the anticipated payment for administering the case in full and did the joint administrators receive that payment?

We estimated that the cost of administering the case would be on a fixed percentage of the value of the sale of the Company's premises at a rate of 5% of realisations and a fixed fee of £20,000.00 for the remaining work within the administration proceedings which, was subsequently increased by £30,000.00 to provide an overall fixed fee of £50,000.00 which, the Company's creditors provided approval for.

Details of what remuneration has been drawn is detailed above. Any additional costs incurred over and above what has been approved are to be written off.

As can be seen from the information above, our remuneration basis has not been exceeded and therefore we are satisfied that our remuneration proposal did provide a fair and reasonable reflection of the work that has been carried out.

Category 1 Expenses

To 5 August 2021, we have also drawn expenses in the sum of £1,537.27. Please note that this figure contains funds in relation to statutory bond payments. Whilst these funds have been paid to a third party, the same were first paid by Begbies Traynor and subsequently recovered.

Why have subcontractors been used?

Eddisons were instructed to provide a valuation and disposal strategy in relation to the Company's chattel assets together with a review of the Company's work in progress to establish whether it would be cost effective to complete. Eddisons were instructed by the joint administrators based on their previous experience and known ability to provide advice on asset disposals and also to move in a swift manner.

Brown & Co were instructed to commence a marketing campaign in respect of the Company's property and to liaise with all interested parties. This included arranging for interested parties to be shown around the premises and to negotiate any offers which may be received. Brown & Co were instructed due to their knowledge of the market in the local and surrounding area of the Company. To date, Brown & Co have been paid funds totalling £17,825.00 in relation to their agreed fee and marketing costs. Please note however, that the sum of £1,325.00 contained within the above amount were initially paid by Begbies Traynor and were subsequently discharged from the case.

EIS were instructed to provide insurance cover in respect of the Company's chattel assets and property to ensure that all assets were appropriately covered. EIS were instructed due to their experience in dealing with matters of a similar nature on a speedy basis. To date, EIS have received funds in the sum of £30,020.44 in this regard, following the sale of the Company's property.

Remotzone were instructed to change the locks to the building to ensure that the premises were secured. In addition, Remotzone were also instructed to arrange for the premises to be drained down over the winter months to ensure that the pipes to the premises did not freeze and therefore, cause damage to the premises. Remotzone costs have been discharged in this regard, subsequent to the sale of the Company's property. The sum of £603.37 has been discharged in this regard.

Leslie Keats were instructed to review the benefit of completing the Company's work in progress and also the collectability of the Company's debtor ledger to ascertain whether any steps could be taken to maximise the same. Leslie Keats were instructed based on their known ability to collect and realise debts effectively. Funds totalling £3,000.00 have been paid to Leslie Keats in this respect.

Irwins, were instructed to assist with the appointment process in order that the joint administrators could be appointed swiftly and, to provide advice in respect of technical queries. In addition, Irwins have also assisted with the sale of the Company's property by drafting and issuing the necessary sales contract to the relevant party.

UKELC were instructed to provide assistance with regard to the Company's pension scheme in respect of the submission of the RP15A pension reclaim form and the employees claims. UKELC were instructed based on their knowledge of dealing with pension matters on a daily basis. Subcontracting such work is also financially beneficial to the estate as the costs are lower than should the joint administrators have undertaken the works themselves.

Category 2 Expenses

Details of the Category 2 expenses that have been drawn during the period of this report in accordance with the approval obtained in the total sum of £32,171.08 are set out below:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage	296.10
Postage	316.89
Storage	149.28
Specific Bond	775.00
Remotzone Limited, a company which is part of Eddisons and therefore is a member of the Begbies Traynor group, has provided security services in relation to the Company's property. The purpose of obtaining such services was based on their previous experience and known ability to provide security services on a expedient basis.	603.37
<p>EIS, which is a member of the Begbies Traynor group, has provided insurance brokerage services, having arranged open cover insurance in relation to the Company's assets.</p> <p>The manner in which EIS receives payment of its commission from the insurer has changed.</p> <p>The commission was previously paid to EIS by the insurer. However, as a result of a change of invoicing process, EIS now raises invoices for the premium(s) payable on the insurer's behalf and receives payment from the insolvent estate. EIS in turn, accounts to the insurer for the premium(s) payable after deducting any commission payable by the insurer.</p> <p>As well as charges for insurance, EIS may also charge an administration fee where relevant and appropriate. If applicable to this case so far, the charges are also described here.</p>	30,020.44
TOTAL	32,171.08

Please note that the above figure contains funds in relation to statutory bond payments. Whilst these funds have been paid to a third party, the same were first paid by Begbies Traynor and subsequently recovered.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

9. EXPENSES

A statement of the expenses incurred and discharged by us during the period of this progress report is attached at Appendix 4. A cumulative statement of expenses also appears at Appendix 4 which details the expenses incurred since the date of our appointment.

Creditors will recall that we estimated that the expenses of the administration would total £148,375.25. That estimate has not been exceeded and we are satisfied that we provided creditors with an accurate reflection of the likely expenses at the time approval was sought.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred by us during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

11. ASSETS THAT REMAIN TO BE REALISED

There are no assets of the Company that remain to be realised as all realisable assets have been dealt with, within the administration estate.

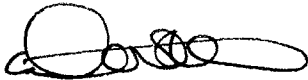
12. OTHER RELEVANT INFORMATION

Use of personal information

Please note that although the administration is being concluded, in discharging our remaining duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

13. CONCLUSION

Steps will now be taken to arrange for the Company to enter into Creditors Voluntary Liquidation following the filing of Form AM22 at Companies House.



Claire Elizabeth Dowson
Joint Administrator

Date: 5 August 2021

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 25 March 2021 to 5 August 2021

Sunfold Systems Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 25/03/2021 To 05/08/2021 £	From 25/09/2019 To 05/08/2021 £
1,450,000.00	SECURED ASSETS		
	Freehold Land & Property	1,100,000.00	1,100,000.00
		1,100,000.00	1,100,000.00
	COSTS OF REALISATION		
	Administrators' Fees	55,000.00	55,000.00
	Legal Fees		
	Unassigned	6,955.75	6,955.75
	Disbursements	18.00	18.00
	Agents/Valuers Fees		
	Fees	18,428.37	18,428.37
	Irrecoverable VAT	16,076.82	16,076.82
	Historic Arrears/Service Charges	5,104.64	5,104.64
		(101,583.58)	(101,583.58)
22,600.00	HIRE PURCHASE		
(29,576.00)	2 X Peugeot Boxer Vans	NIL	NIL
	LeasePlan UK Limited	NIL	NIL
		NIL	NIL
18,893.46	ASSET REALISATIONS		
600.00	Book Debts	NIL	9,465.92
900.00	Furniture & Equipment	NIL	600.00
	Motor Vehicles	NIL	3,000.00
	Rates Refund	3,932.94	3,932.94
4,000.00	Warehouse Equipment	NIL	NIL
1,400.00	Yard Assets	NIL	NIL
		3,932.94	16,998.86
	COST OF REALISATIONS		
	Administrators' Fees		
	Pre Administration Fees	9,210.50	18,460.50
	Post Administration Fees	50,000.00	50,000.00
	Agents/Valuers Fees (2)		
	Post Appointment Fees	NIL	400.70
	Post Appointment Disbs	NIL	645.00
	Bank Charges	7.00	44.75
	Debt Collection Costs		
	Pre Appointment	3,000.00	3,000.00
	Disbursements		
	Mileage	296.10	296.10
	Postage	316.89	316.89
	Storage	149.28	149.28
	Electricity	6,790.22	6,790.22
	Employee/Pension Advice	700.00	1,350.00
	Insurance of Assets	30,020.44	30,020.44
	Legal Disbursements	79.60	79.60
	Legal Fees	7,356.00	7,356.00
	Specific Bond	775.00	775.00
	Statutory Advertising		
	Advertising	NIL	75.00
		(108,701.03)	(119,759.48)
	Surplus to liquidation		
	Unclaimed Dividends	881,001.22	881,001.22
		(881,001.22)	(881,001.22)
(929.09)	PREFERENTIAL CREDITORS		
	Employees re Arrears/Hol Pay	14,385.98	14,385.98

Sunfold Systems Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 25/03/2021 To 05/08/2021 £	From 25/09/2019 To 05/08/2021 £
	PAYE/NIC deductions from pref divide	268.60	268.60
Uncertain	Pension Contributions	NIL	NIL
(13,704.08)	RPO re Arrears/Holiday Pay	NIL	NIL
		(14,654.58)	(14,654.58)
	UNSECURED CREDITORS		
(103,052.44)	Barclays Bank Plc	NIL	NIL
(355,528.60)	Consumer Creditors	NIL	NIL
(4,642.88)	Employees	NIL	NIL
(8,000.00)	HMRC (PAYE)	NIL	NIL
(25,000.00)	HMRC (VAT)	NIL	NIL
(293,532.00)	Mr Rawlings - Directors Loan Account	NIL	NIL
(45,000.00)	Mrs Rawlings - Directors Loan Account	NIL	NIL
(69,937.46)	RPO	NIL	NIL
(122,043.21)	Trade Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(10,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
417,447.70		(2,007.47)	0.00
	REPRESENTED BY		
			NIL

SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

Proposals approved at the initial creditors' meeting.

The joint administrators' proposals stated that the following objectives, as specified in paragraph 3 of Schedule B1 to the Act, were likely to be achieved: -

3(1)(b), namely 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); and

3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors.

We can confirm that as a result of the actions taken during the administration, preferential creditors have been repaid in full.

With regard to the unsecured creditors, a distribution will be made within the subsequent liquidation of the Company, now that the Company's major asset has been realised.

COSTS AND EXPENSES

- a. Begbies Traynor (SY) LLP's charging policy.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance¹ indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 disbursements (approval not required) - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ Category 2 disbursements (approval required) - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a Category 1 disbursement) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Commercial Limited to provide a valuation and disposal strategy in relation to the Company's assets. Their charges will be equivalent to 10% of realisations. In addition, Eddisons Commercial Limited's charges for carrying out their valuation will be £1,500.00 plus VAT together with pre and post appointment disbursements totaling £50.00 and £250.00 plus VAT respectively.

¹ Ibid 1

Eddisons Commercial Limited are also instructed to provide risk management services, with particular regard to the locks, alarm monitoring for the Company's trading premises and all other associated services to ensure that the management of insurance compliance works for vacant properties is being adhered to. Their charges for providing the lock changing, alarm monitoring and all other necessary services to ensure the insurance requirements are adhered to are estimated to total £9,353.37 plus VAT.

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The forecasted cost of insurance for the 3 month period immediately following appointment is £1,117.50 inclusive of Insurance Premium Tax. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Where relevant, administration fees may be charged, These costs are taken into consideration and included within the forecasted cost of insurance, above.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

Where EIS have initially been consulted on a policy, but the policy has not been taken out, EIS will charge an administration fee of £150.

- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 disbursement:

- Telephone and facsimile
- Printing and photocopying
- Stationery

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

STATEMENT OF EXPENSES FOR THE PERIOD

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Legal fees - fixed	Irwins	6,955.75	6,955.75	0.00
Legal disbursements – fixed	Irwins	18.00	18.00	0.00
Historic arrears/service charges	Irwins	5,104.64	5,104.64	0.00
Agents/Valuers Fees - fixed	Brown & Co Ltd	17,825.00	17,825.00	0.00
Bank Charges	Handelsbanken Plc	7.00	7.00	0.00
Debt Collection Costs – Pre Appointment	Leslie Keats	3,000.00	3,000.00	0.00
Postage	Postworks	316.89	316.89	0.00
Storage	Restore	149.28	149.28	0.00
Electricity	BES Commercial Electricity Ltd	6,790.22	6,790.22	0.00
Employee/Pension Advice	UKELC & Co Ltd	700.00	700.00	0.00
Irrecoverable VAT – Fixed	HM Revenue and Customs	16,076.82	16,076.82	0.00
Legal Fees	Irwin Mitchell LLP	7,356.00	7,356.00	0.00
Legal Disbursements	Irwin Mitchell LLP	79.60	79.60	0.00
Specific Bond	Aon UK Limited	775.00	775.00	0.00
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Agents/Valuers Fees – fixed	Remotezone Limited	603.37	603.37	0.00
Insurance of Assets	Eddisons Insurance Services	30,020.44	30,020.44	0.00

Mileage	Begbies Traynor (SY) LLP	296.10	296.10	0.00
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CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Legal fees – fixed	Irwins	6,955.75
Legal disbursements – fixed	Irwins	18.00
Agents/Valuers fees – fixed	Brown & Co Ltd	17,825.00
Agents fees – fixed	Remotezone Limited	603.37
Irrecoverable VAT	HM Revenue & Customs	16,076.82
Historic arrears/service charges	Irwins	5,104.64
Agents/Valuers Fees	Eddisons Commercial Limited	400.70
Agents/Valuers Disbursements	Eddisons Commercial Limited	645.00
Bank Charges	Handelsbanken Plc	44.75
Debt Collection Costs – Pre Appointment	Leslie Keats	3,000.00
Mileage	Begbies Traynor (SY) LLP	296.10
Postage	Postworks	316.89
Storage	Restore	149.28
Electricity	BES Commercial Electricity Ltd	6,790.22
Employee/Pension Advice	UKELC & Co Ltd	1,350.00
Insurance of Assets	Eddisons Insurance Services Limited	30,020.44
Legal Fees	Irwin Mitchell LLP	7,356.00
Legal Disbursements	Irwin Mitchell LLP	79.60
Specific Bond	Aon UK Limited	775.00
Statutory Advertising	EPE Reynell Advertising Limited	75.00