

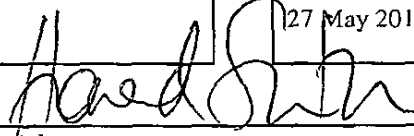
2.24B**Administrator's progress report**

Name of Company Soymagic (U K) Limited	Company number 04879587
In the High Court of Justice, Chancery Division, Leeds District Registry [full name of court]	Court case number 1403 of 2009

We
Howard Smith
KPMG LLP
St James' Square
Manchester
M2 6DS
United Kingdom

Mark Granville Firmin
1 The Embankment
Neville St
Leeds
LS1 4DW

Administrators of the above company attach a progress report for the period

from	to
1 October 2011	27 May 2012
	
Signed	Joint Administrator
Dated	13 June 2012

Contact Details:

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

Andrew Germaine KPMG LLP St James' Square Manchester M2 6DS United Kingdom DX Number DX 724620 Manchester 42		Tel 0161 246 4732 DX Exchange
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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

THURSDAY



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14/06/2012

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COMPANIES HOUSE



**Soymagic (U.K.) Limited
(in administration)**

**Report to Creditors pursuant
to Rule 2.47 of the
Insolvency Rules 1986**

KPMG LLP
13 June 2012

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Notice: About this Report

This Report has been prepared by Howard Smith and Mark Firmin, the Joint Administrators of Soymagic (U K) Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Soymagic (U K) Limited.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Howard Smith is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

Mark Granville Firmin is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of England & Wales.

The Joint Administrators act as agents for Soymagic (U K) Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.



Glossary

Joint Administrators	Howard Smith and Mark Granville Firmin of KPMG LLP, 1 The Embankment, Neville Street, Leeds LS1 4DW
Administration Orders	The Administration Orders dated 28 May 2010 granted by the High Court of Justice, Chancery Division, Leeds District Registry, Court case number 1403 of 2009.
the Company	Soymagic (U K) Limited (Company registered number 1845901)
the Directors	Alon Salamon Imre Rochlitz Joseph Rochlitz Patrick Steinberg Stanley Shreeve Yair Webman
Barclays Bank or the Bank	Barclays Bank plc, Barclays Commercial, and Barclays Mercantile Business Finance Limited
the Proposals	Report to Creditors pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986
KPMG	KPMG LLP
Sanderson Weatherall	Sanderson Weatherall LLP, the chartered surveyors engaged by the Joint Administrators to value and assist in realising the property of the Company

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1 Introduction

Further to the previous report to creditors dated 7 October 2011, the Joint Administrators set out below their progress report. This report provides an update on the progress of the administration and covers the period from 1 October 2011 to 27 May 2012.

In accordance with Paragraph 100(2) of Schedule B1 the functions of the Joint Administrators may be exercised by either or both of them.

The requisite statutory information in respect of the Company is attached at Appendix 1.

Pursuant to the Statement of Insolvency Practice 7, all amounts in this report and its attachments are stated net of VAT.

2 Progress of the Administration and realisations

2.1 Sale of the Company's assets

As previously reported, attempts by the Joint Administrators to achieve a sale of the business as an operating unit were unsuccessful.

As such, the Joint Administrators, with the agreement of the primary secured lender, continued to engage Sanderson Weatherall to market the Company's freehold property at Genesis Way, Eurparc, Grimsby.

The Joint Administrators have since completed a sale of the freehold property to Albert Darnell Property Limited on 19 March 2012 for £1.2 million plus VAT.

As previously reported, Barclays Bank have completed a sale of the Company's plant and machinery subject to their fixed charge chattel mortgage, by way of private treaty. The sales consideration of £205,000+VAT was paid directly by the purchaser, Rabin Worldwide Limited, to the Bank under their secured charge over the Company's assets.

As the only remaining issue was the sale of the Company's freehold property, the Joint Administrators are now looking to finalise the administration and bring it to a formal conclusion.

It is intended that in due course, the Joint Administrators will file at Companies House a final report and forms necessary to achieve the dissolution of the Company.

3 Cost of realisations

The detailed costs of realisation are included in Appendix 4 to this Report. A brief summary of the material costs is provided below.

3.1 Legal fees and disbursements

The sum of £45,893 has been paid to Eversheds LLP in the period for their assistance with the sale of the Company's freehold property. The sum of £403 has also been paid to Eversheds LLP in the period for disbursements incurred.

3.1.1 Agents' fees

The sum of £33,073 was paid to Sanderson Weatherall for their assistance with the valuation, marketing and sale of the freehold property and the monitoring of the removal of the plant and machinery from the Company's site.

3.1.2 Insurance of assets

The sum of £51,937 has been paid in the period to Willis Limited for insuring the Company's assets (including the freehold property).

3.1.3 Heat & light

Payments totalling £4,851 have been made in the period to nPower in respect of gas and electricity supplied to the freehold property post administration.

3.1.4 Other property expenses

Site security and other miscellaneous property costs paid in the period total £3,247.

3.1.5 Bank charges

The sum of £25 has been incurred in the period for the use of the Administration bank account.

3.1.6 Storage costs

The sum of £265 has been paid to Iron Mountain (UK) Limited for the storage of the Company's pre-appointment books and records.

3.2 Joint Administrators' time costs

The basis of the Joint Administrators' fees is time properly spent at KPMG LLP standard hourly rates. A breakdown of these rates for the duration of the administration is included in Appendix 3 to this Report.

In the period from 1 October 2011 to 27 May 2012, the Joint Administrators have incurred time costs of £45,939 representing 182 hours at an average rate of £251 per hour. This includes tax, VAT and pensions advice from KPMG LLP in-house specialists.



In addition to our time costs, expenses of £2,653 have been incurred from the date of appointment, with £113 being incurred in the period

To date no fees or expenses have been drawn

In accordance with SIP 9, a breakdown of the time costs incurred to date for each grade of staff and category 1 expenses are attached at Appendix 2 and Appendix 3

In accordance with Rule 2 106 (5A) of Insolvency Rules 1986, the Joint Administrators' remuneration shall be fixed with agreement of each of the secured creditors of the Company Please note that in respect of time costs incurred during the Administration, we do not anticipate making a full recovery

A creditors' guide to fees was provided with the Administrators' proposals If you would like a further copy, this can be obtained by logging onto the R3 website at.

http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20E&W.pdf

However, if you are unable to access this guide please contact Andrew Germaine by

- Phone on 0161 246 4732 or by,
- Email at andrew.germaine@kpmg.co.uk

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent The cost of staff employed in the central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates

4 Extension of administration

Following an application to court, it was ordered that the administration be extended until 27 November 2012

The administration was extended in order for the Joint Administrators to complete the sale of the Company's freehold property as discussed in section 2 1 As this has now been dealt with, at this stage the Joint Administrators do not intend to seek a further extension of the administration



5 Estimated outcome for creditors

5.1 Secured Creditors

5.1.1 Barclays Bank ("Barclays")

Barclays were owed approximately £3.8 million at the date of the Joint Administrators' appointment. This debt was secured by a first ranking fixed and floating charge over the assets of the Company.

After settling various fixed charge costs (see section 4 above) a total of £800,000 was distributed to Barclays during the period.

5.1.2 Secondary charge holders

The Joint Administrators are also aware of a second charge over the freehold property in favour of Kingston Equity and Finance Limited. At the date of our appointment the balance outstanding on the loan was circa £60,000.

YFM Venture Finance Limited also held a debenture over the Company's assets. At the date of our appointment we understand the outstanding balance in relation to this debenture to be in the region of £950,000. The debenture ranks behind the charges held by Barclays.

At this time we do not expect any funds being available to the secondary charge holders.

5.2 Preferential creditors – Employees' Wages and Holiday Pay

To date, preferential claims received total £2,551 from employees and £8,062 from the Redundancy Payment Service.

Based on current information the Joint Administrators expect there will be no funds available to distribute to the Company's preferential creditors.

5.3 Unsecured creditors

Based on current information the Joint Administrators expect there will be no funds available to distribute to the Company's unsecured creditors.

5.4 Prescribed Part

The Prescribed Part provisions of Section 176A of the Insolvency Act 1986 entitle unsecured creditors to a percentage share of realisations from net floating charge assets, after costs of realisation and settlement of preferential claims (if any). The percentage is calculated on a sliding scale up to a maximum amount of £600,000 before costs.



The Prescribed Part which applies to non-preferential, unsecured creditors will apply in this case as the debentures held by the secured creditors were registered after 15 September 2003

However, based on the level of floating charge realisations achieved and the associated costs, there is no prospect of a prescribed part fund being available for unsecured creditors

6 Future conduct of the administration

It is proposed that the Joint Administrators will continue to manage the affairs, business and property of the Company in order to achieve the purpose of the Administration. This will include, but not be limited to the following

- Settlement of administration costs including the Administrators' fees,
- Submission of final corporation tax and VAT returns and the receipt of final clearances,
- Other statutory and pre closure formalities.

Upon completion of these remaining steps, the Joint Administrators will take necessary steps to conclude the administration

7 End of administration

It is currently anticipated that following the resolution of the outstanding matters detailed in this report, the Joint Administrators will send a final report to creditors and file a notice at Companies House that the Company be dissolved before the current automatic end date of 27 November 2012. At this point, the Joint Administrators will cease to act and will be discharged of all liabilities as detailed in Paragraph 98 of Schedule B1 of the Insolvency Act 1986

Howard Smith
Joint Administrator



Appendix 1 - Statutory information

Date of Incorporation	27 August 2003
Company number	04879587
Previous registered office	Genesis Way Europarc Grimsby North East Lincs DN37 9TU
Present registered office	c/o KPMG 1 The Embankment Neville Street Leeds LS1 4DW
Trading addresses	Genesis Way Europarc Grimsby North East Lincs DN37 9TU
Called up share capital	20,000 £1 shares
Members	Olisara Limited Pere Limited Big Thoughts Soya Limited YM Tavor Limited
Directors	Alon Salamon Imre Rochlitz Joseph Rochlitz Patrick Steinberg Stanley Shreeve Yair Webman
Company Secretary	Imre Rochlitz
Employees	4
Previous Names	None



Soymagic (U.K.) Limited (in administration)
Report to Creditors pursuant to Rule 2.47 of the Insolvency Rules 1986
KPMG LLP

Appendix 2 – Joint Administrators' time costs from 1 October 2011 to 27 May 2012

01/10/2011 to 27/05/2012

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Cashiering							
General (Cashiering)	2 00		5 45		7 45	£2,007 00	£269 40
Reconciliations (& IPS accounting reviews)		1 30	1 40		2 70	£862 50	£319 44
General							
Fees and WIP		1 00	5 90		6 90	£1,808 50	£262 10
Statutory and compliance							
Checklist & reviews	0 20	0 60	2 50		3 30	£817 00	£247 58
Reports to debenture holders		6 10	2 90		9 00	£3,288 50	£365 39
Statutory receipts and payments accounts			0 50		0 50	£120 00	£240 00
Strategy documents			1 50		1 50	£360 00	£240 00
Tax							
Post appointment corporation tax	0 60	9 20	1 00		10 80	£4,122 00	£381 67
Post appointment VAT	0 80	1 30	2 75		4 85	£1,362 25	£280 88
Creditors							
Creditors and claims							
Secured creditors		3 40	6 50		9 90	£3,005 00	£303 54
Statutory reports	0 60	1 20	33 90		35 70	£7,017 00	£196 55
Realisation of assets							
Asset Realisation							
Freehold property	2 10	9 30	75 45	0 25	87 10	£20,463 75	£234 95
Open cover insurance		0 50	1 50		2 00	£475 00	£237 50
Plant and machinery	0 50				0 50	£230 00	£460 00
Total in period					182 20	£45,938 50	£252 13
Brought forward time (appointment date to SIP9 period start date)					1,165 46	£292,761 10	£251 20
SIP9 period time (SIP9 period start date to SIP9 period end date)					182 20	£45,938 50	£252 13
Carry forward time (appointment date to SIP9 period end date)					1,347 86	£338 699 60	£251 32



Appendix 3 - Administrators' charge out rates and Administrators' expenses as at 27 May 2012

Charge out rates as at 27 May 2012

Grade	Hourly rate from 1 April 2009 onwards (£)	Hourly rate from 1 October 2010 onwards (£)
Partner	515	535
Associate Partner	440	460
Director	440	460
Senior Manager	405	425
Manager	320	345
Senior Administrator	225	240
Administrator	165	175
Support	105	110



Soymagic (U.K.) Limited (in administration)
Report to Creditors pursuant to Rule 2.47 of the Insolvency Rules 1986
KPMG LLP

	From 1 October 2010 (£)			
	KPMG LLP Corporation Tax Team	KPMG LLP VAT Team	KPMG LLP Pensions Team	KPMG LLP Corporate Finance Team
Grade				
Partner	595	900	465	825
Associate Partner	535	900	465	760
Director	535	805	400	760
Senior Manager (more than 2 years)	470	705	365	675
Senior Manager (less than 2 years)	375	565	365	675
Manager (more than 2 years)	305	455	290	575
Manager (less than 2 years)	255	385	290	575
Senior Administrator (Year 3)	220	330	205	435
Senior Administrator (Year 2)	205	310	205	435
Senior Administrator (Year 1)	185	280	205	435
Administrator (Year 4)	185	280	150	350
Administrator (Year 3)	165	245	150	350
Administrator (Year 2)	125	185	150	350
Administrator (Year 1)	85	125	150	350

Expenses as at 27 May 2012

Category	Amount (£)
Meal Allowance	106.83
Mileage	2,072.80
Sundry expenses	98.00
Telephone calls	73.19
Printing	209.90
Other Travel Costs	92.70
Total	2,653.42



Soymagic (U.K.) Limited (in administration)
Report to Creditors pursuant to Rule 2.47 of the Insolvency Rules 1986
KPMG LLP

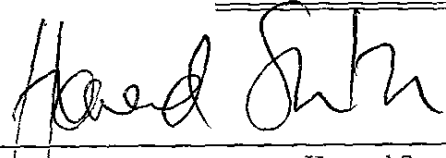
Appendix 4 - Receipts and Payments period account for the period from 1 October 2011 to 27 May 2012

Soymagic (U.K.) Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 01/10/2011 To 27/05/2012	From 28/05/2009 To 27/05/2012
	FIXED CHARGE ASSETS		
1,500,000 00	Freehold property	1,200,000 00	1,200,000 00
565,000 00	Plant & machinery	NIL	NIL
	Bank interest, gross	0 02	0 37
		<u>1,200,000 02</u>	<u>1,200,000 37</u>
	FIXED CHARGE COSTS		
	Legal fees	45,893 00	45,893 00
	Legal disbursements	403 00	403 00
	Agents'/Valuers' fees	33,073 49	40,037 95
	Insurance of assets	51,937 33	51,937 33
	Heat & Light	4,851 09	43,202 31
	Bank charges	25 00	27 45
	Other Property Expenses	3,246 91	16,259 30
	Wages and Salaries	NIL	2,584 83
		<u>(139,429 82)</u>	<u>(200,345 17)</u>
	FIXED CHARGE CREDITORS		
(4,349,693 00)	Fixed charge creditors	<u>800,000 00</u>	<u>800,000 00</u>
		<u>(800,000 00)</u>	<u>(800,000 00)</u>
	ASSET REALISATIONS		
10,000 00	Furniture & equipment	NIL	NIL
10,008 00	Stock	NIL	10,008 18
	Book debts	NIL	7,623 23
	Cash at bank	<u>NIL</u>	<u>389 59</u>
		<u>NIL</u>	<u>18,021 00</u>
	OTHER REALISATIONS		
	Bank interest, gross	<u>NIL</u>	<u>2 63</u>
		<u>NIL</u>	<u>2 63</u>
	COST OF REALISATIONS		
	Legal fees	NIL	2,260 00
	Site Removal Costs	NIL	2,016 00
	Indirect Staff Costs	NIL	85 50
	Storage costs	265 35	521 86
	Re-direction of mail	NIL	78.10
	Statutory advertising	NIL	175 27
	Management Accounting Fee	NIL	800 00
	Rates	NIL	15 95
	Wages & salaries	NIL	4,217 75
	Bank charges	<u>NIL</u>	<u>130 00</u>
		<u>(265 35)</u>	<u>(10,300 43)</u>
	PREFERENTIAL CREDITORS		
(382 00)	Employees' wage arrears	<u>NIL</u>	<u>NIL</u>
		<u>NIL</u>	<u>NIL</u>
	FLOATING CHARGE CREDITORS		
(107,032 00)	Floating charge	<u>NIL</u>	<u>NIL</u>
		<u>NIL</u>	<u>NIL</u>

Soymagic (U.K.) Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 01/10/2011 To 27/05/2012	From 28/05/2009 To 27/05/2012
UNSECURED CREDITORS			
(319,265 00)	Trade & expense	NIL	NIL
(983,999 00)	Unsecured Loans	NIL	NIL
(2,464,710 00)	Shareholder Loans	NIL	NIL
(32,827 00)	Corp tax etc/nonpref PAYE	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS			
(47,765 00)	Ordinary shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(6,220,665.00)</u>		<u>260,304.85</u>	<u>207,378.40</u>
REPRESENTED BY			
	Floating ch VAT rec'able		7,935 94
	Fixed charge current		7 93
	Floating charge current - 70K overdraft		430,305 93
	Fixed charge VAT rec'able		9,128 60
	Fixed charge VAT payable		(240,000 00)
			<u>207,378.40</u>



 Howard Smith
 Administrator

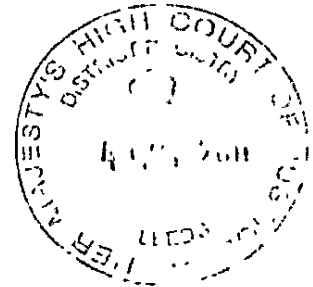
**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
LEEDS DISTRICT REGISTRY**

Case No: 1403 OF 2009

**IN THE MATTER of Soymagic (UK) Limited –In Administration
AND**

IN THE MATTER OF THE INSOLVENCY ACT 1986

BEFORE His Honour Judge Langan QC



Upon the application of Howard Smith and Mark Firmin of KPMG LLP, 1 The Embankment, Neville Street, Leeds LS1 4DW, the joint administrators of the above named company (the joint administrators)

And Upon reading the witness statement of Howard Smith dated 11th October 2011

And Upon reading Counsel's skeleton argument for the joint administrators

IT IS ORDERED THAT

- 1. Pursuant to paragraph 76(2)(a) of Schedule B1 to the Insolvency Act 1986, the Joint Administrators' term of office be extended by a period of twelve (12) months from 27 November 2011 until close of business on 27 November 2012.**
- 2. a) the progress report dated 7 October 2011 (prepared in accordance with Insolvency Rule (IR) 2.112(1) may be distributed to creditors in substitution for the next six-monthly progress report which would have been due for the period ending on 27 November 2011 and (b) the subsequent progress report, under IR 2.47(3), shall be due on 27 May 2012.**
- 3. The costs of and occasioned by the application shall be paid as an expense of the administration.**
- 4. Such further or other orders as the court thinks fit.**

DATED: 13th October 2011